

MORETELE LOCAL MUNICIPALITY-[NW371]



QUALITY CERTIFICATE: ANNUAL BUDGET FOR 2013/2014

I, Frans Temeki Mabokela, Acting Municipal Manager of Moretele Local Municipality, hereby certify that the annual budget for 2013/2014 and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the final budget and supporting documents are consistent with the Integrated Development Plan of the municipal.

Name : FT Mabokela

Municipal Manager of : Moretele Local Municipality-NW371

Signature : [Signature]

Date : 2013/05/22

Budget Speech for the 2013/14 financial year for the Moretele Local Municipality as presented by His Worship the Mayor, Cllr. Jonas Sello Lehari during the Special Council Sitting held at Mathibestad Municipal Hall:

Date: 30th May 2013

Honourable Speaker;

Acting Municipal Manager;

Executive Committee Members;

Honourable Single Whip;

Dikgosi tse di tlotlegang;

Honourable Councilors;

Directors and Senior Managers;

Managers and Officers;

Representatives of business, religious and other key sectors in society;

Community Development Workers;

Ward Committee Members;

Representatives of youth and women forum

Ladies and gentlemen.

Let me begin by quoting the former President of the African National Congress and the State President Dr Rolihlahla Nelson Mandela when he said, I quote “to be free is not merely to cast off one’s chain, but to live in a way that respects and enhances the freedom” close quote.

He further said I quote “A leader is like a shepherd. He stays behind the flock, letting the most nimble go out ahead, whereupon the others follow, not realising that along they are being directed from behind” close quote.

As council we are mandated to strengthen freedom and democracy by making sure that we execute our given mandate. As we do so, we should also like wise considering Batho-Pele Principles. We should bear in mind that we are here because of people behind who expect more from us.

Hon. Speaker;

Let me indicate that this council is now two (2) years in office, and would like to appreciate the hard work they have done so far. They have shown a lot of determination in their ward leadership roles. Hon. Speaker I must indicate that throughout this presentation, I would be quoting and making reference. This is to motivate and re-energising our passion.

Harold Bloomberg once said I quote “don’t look for the light to show a way. Become the light and lead the way” close quote. It is upon us as council to change the living conditions and socio-economic of our communities.

I must appreciate ward councillors for holding regular ward meeting and giving the communities information on service delivery progress and other municipal services. This is being transparent, democratic and enhancing community participation. Honesty is the first chapter in the book of wisdom. Being honest in everything we do, is the right way to go. This is evident in this council’s practise because previously at this time of May month, we had protest and marches which was also the case the previous financial year.

John Wooden once said I quote “It is not how big you are, it’s how big you play” close quote. It does not matter us what environment and service delivery predicament we find ourselves in, the whole scenario is how we intend to realise our political and administration mandate as councillors and officials.

It is upon our shoulders as councillors to exploit all avenues to realise our mandate and anticipations and we have to do that swiftly being in mind that we also have to be mindful what impact we want to bring to Moretele. We have to be mindful of how we approach time. Watching the clock is not the same as watching the sun rise.

Ralf Waldo Emerson once said I quote “Little minds have little worries, big minds have no time for worries” close quote. Let us do things correctly as per our political mandate, let us do thing according to our administrative responsibility as officials, ensure compliance with all pieces of legislation including regulations and ensure that we realise 2014 clean audit.

Hon. Speaker;

The 2013/14 annual financial estimates are but the second to be tabled before this council since its inception in 2011. In this presentation, I will reflect on the resolutions of the municipal council and including the implementation of such.

I will also make a reflection on how we have managed as a municipality to evolve through the dynamic epoch of change that characterised our country since the introduction of a new and faster drill march by President Jacob Zuma in 2009.

I must admit that we have had a difficult task in-front of us but given the commitment of each and one of us, we have proven equal and at some stages beyond the tasks and challenges presented our way.

We have successfully discharged our commitments in so far as Executive Committee Working Sessions and other important engagement are concerned. The complexion of our municipality is changing for the better since the time when I delivered the last budget speech. Noting that most of the council members were new, the speed at which we had to help them comprehend the operations of council and the municipality while at the same time doing what we have been elected to do is very amazing. Programmes such as Tsetsepela instilled self-confidence and capacitated councillors and ward committees on their roles, community expectations to know when, how, what

It is important that I report on the previous activities that the municipality has been engaged in before eloping into what the future holds.

On Good Governance

Mr. Speaker;

The Moretele Local Municipality has succeeded at establishing appropriate systems and structures in line with the requirements of the law to provide responsive, accountable, democratic, caring and development oriented local government.

The Constitution of the Republic places the obligation to govern the municipal jurisdiction upon the municipality. Section 152 of the Constitution instructs local government to:

- Provide democratic and accountable government for local communities
- Ensure the provision of services to communities in a sustainable manner
- To promote social and economic development

- Promote safe and healthy environment ; and
- Encourage the involvement of communities and community organizations on matters of local government

This has to happen by ensuring that necessary municipal by-laws, regulations and policies are developed by the municipal council in response to the needs of the people including infrastructural and other socio-economic development requirements necessary in the lives of the community in general.

Mr. Speaker;

Ladies and gentlemen;

To achieve this end, the municipality has had numerous community engagement forums that were aimed at imparting information as well as receiving noteworthy contributions by community members and other stakeholders. The office of the Speaker has done a sterling work in so far as community participation is concerned and as required by Chapter 4 of the Local Government: Municipal Systems Act, 32 of 2000, and it must be commended for the same.

I must mention also that for the municipality to govern properly, we need to have a continuous interaction with everyone. In this regard, our municipality is an active participant in the Intergovernmental forums both at district and provincial level.

In response to the conspicuous absence of the Municipal Manager and as reported by the media a while ago, we have employed Mr. D.A Kutumela as our Municipal Manager given his abilities and other leadership attributes to head the administrative ambit of the municipality. We also unfortunately had to take a decision to give him a precautionary leave with pay for the duration (28 Nov.2012 to 28 February 2013 for which council resolved to extend the leave 31 October 2013) of time when investigations into certain unclear previous activities have been concluded. To act in his place, we then appointed Mr. F.T Mabokela who has been doing satisfactory work since his appointment. Our governance agenda has not encountered major challenges as a result of this temporary arrangement.

Institutional development and capacity building

Mr. Speaker,

Ladies and gentlemen;

I have been saying that our municipality cannot be said to be at infancy stage when the law expects us to perform, deliver and account in the same manner as the rest of the municipalities that existed fifty years before it.

Section 153 of the Constitution further instructs local government to: I quote -

“structure and manage its administration and budgeting, and planning processes to give priority to the basic needs of the community and to promote social and economic development of the community” End quote.

We therefore, have taken uncompromising steps to ensure that we build the necessary capacity within the municipality by having staff and officers enrol for accredited courses that will increase their knowledge as well as advance their profitability in the local government terrain.

To-date, 14 of the staff and officers are enrolled for BA Degree in municipal related courses entry level while two (2) managers graduated on the 20th May 2013 in Advance Management and Municipal Governance.

It is worth noting that most of these staff and officers got here having only matric and besides their experience at unfulfilling jobs, they are progressing very well in their current studies. We have had managers who went on to graduate in furtherance of their quest for knowledge and commitment to bringing meaningful change at this municipality on an on-going basis.

The implementation of key legislative requirements such as putting the Municipal Public Accounts Committee (MPAC) in place and providing the necessary human and other capacity to ensure its success are but some of the recordable achievements this municipality has had since 2011.

The complexion of our IDP has changed drastically over the years and with that the municipality has tried to drive home the unity of purpose between the community and the municipality. The internal unit of the IDP has also had to brave immense pressure of community development priorities that changes regularly as a result of growing political and social pressure groups in various communities.

Stability on long-term development objectives have to some extent been deliberately derailed for purposes similar to those of the Bakgatla Ba Moseitla development plans.

Mr. Speaker;

We however, are moving steadfastly ahead and forging the required alignment in the thinking of individual community members, stakeholders as well as the same pressure groups that agree with us on something today and change their tune the next day.

Having mentioned the above, it is also important to report that the municipality has a very good working relationship with Traditional Leaders within its jurisdiction and as such, most of our current and forecasted planning is surely going ahead without hindrances. We however still have structures such as the community authorities that have been disestablished but for some reason insist on existing. The matter has since been referred to the relevant department of the provincial government for finality.

The other critical aspect that has become a grave concern for us and government in general is the loss of important institutional memory. Besides the migration of employees from one place to the other, it has become apparent that a host of key information goes missing when activities such as auditing has to take place.

This inadvertently says that our municipality loses credibility and fails to receive honest audit opinions because the auditors cannot confirm or deny the reasons for which certain decisions were taken in the course of our daily activities.

The implementation of proper filing and archiving systems is long overdue and plans are underway to create the necessary space to put this in practice before the end of 2013.

Financial Viability

One of the most critical Constitutional mandates of local government is the provision of financially accountable and viable institutions. At this level, the Mayor is the custodian of proper use of public funds by the municipal administration.

This means that the Mayor takes responsibility of the people who do not make an effort to pay even a cent for their municipal services when at the same time, the Mayor has to ensure the provision of these services without fail by the municipality.

The law prescribes that the municipality must be able to render services for which residents pay. The municipality has for a while now being providing services that residents do not pay for. Among these services is water, which the Constitution obliges us to provide in spite of the community's circumstances because it is a basic

human right. Other services include running an effective and efficient organisation that is increasingly aware and responsive to the needs of its populace.

The Auditor General has mentioned in the previous reports that our municipality has not been able to keep an asset register. Without assets that can be accounted for, the liquidity and or bankability of the municipality simply ceases to exist. It means we cannot lend money or provide services on credit and our dependence on grants may not come to an end. This aspect is being attended to as we speak and it is hoped that it will be addressed adequately this time as opposed to the other years.

Mr. Speaker;

Ladies and gentlemen;

The other issue is that of paying workers for something they are not doing. The municipality has lost what is usually called “value for money” because of employees who spend their time here doing things that do not benefit the institution and the community. Some would be seen in the morning and just disappear into thin air.

We have however, ensured that each employee will earn their salaries by enforcing the clocking system that will help record and monitor their movements during working hours. Managers and supervisors are also expected to ensure that employees are not just in their offices or workstations but being productive to meet what we refer to as “Service Delivery and Budget Implementation Plan”.

There are many other important issues upon which I would want to report in so far as this Key Performance Area is concerned, but it is safer for me to present to you the fundamental challenges that have plagued the municipality since its inception in 2000 and how we believe these can be overcome.

It would not be appropriate for me to stand here and report only about the last twelve months whilst the impact of our challenges is premised on the deficiencies and shortcomings that were not adequately addressed in the past.

Mr. Speaker;

The municipality has commissioned an audit on land availability, use and ownership to enhance its assets. Similarly, a water demand management study is also being undertaken to among others quantify water works (infrastructure used for the provision of water) as well as establish the worth thereof. Planning is underway for the Water

Treatment Plant Command Reservoir that will go a long way to alleviate the challenge of water shortages in Moretele.

Notably, for the municipality to be bankable it must have someone who understands the finances and is driven by the passion to make all our aspirations realised. In this regard, we have employed a very experienced and capable Chief Financial Officer. The municipality has since started moving up in terms of performance. It is worth noting also that the Chief Financial Officer cannot operate alone and or perform miracles, therefore, it has been necessary for us to relook at our organisational structure as well as effect changes that would be profitable to the municipality in its entirety.

In conclusion Hon. Councillors;

The late Comrade Oliver Tambo once said I quote “the government that is not taking care of the youth has no future. This implies the development and capacitation of the youth is an investment in to the future. Meaning the youth is our future leaders and our economy will rely on them.

David Brinkley said I quote “A successful man is one who can lay a firm foundation with the bricks others have thrown at him” close quote, for whatever accusation against us, let’s use it to our advantage and learn out of it.

We should embrace on what we have achieved and do because like James M. Barrie said I quote “those who bring sunshine to the lives of others cannot keep it from themselves” close quote. What we do now to change others live especially by proving service delivery will forever be there and recognised by all.

You all have human behaviour and character challenges in your respective wards, so do I. I can only say I have no methods; all I do is accept people as they are.

Arthur Rubinstein once said I quote “I am passionate involved in life; I love its changes; I love its colour; its movement” close quote. Life is unpredictable, it does have up and downs and everything has the beginning and end. Our dream will one day become true.

When you are totally at peace with yourself, nothing can shake you. Let us have self-confidence and believe in each other, we will achieve the unbelievable.

Chinua Achebe says, I quote "If you do not like my story, write your own story. Simply, if you do not like what I do as a Mayor, my leadership style it is advisable to wait for your turn.

Hon. Speaker,

Ladies and gentlemen;

On Service Delivery

The municipality has been able to deliver with success the following programmes under which select community projects were funded:

1. Infrastructure

2011-12 PROJECTS

Item No	Project name	Budget	Status quo	Comments	Employment
Water					
1.	Augmentation of Transectie well fields	16,053,829	Contractor appointed Construction (95%)	Project in progress, the project is granted extension of time till 30 June 2013 due to delays by rain earlier this year	86
2.	Ngobi to Selepe Water Supply	8,620,387	Construction (99%)	Project is physically completed only connection outstanding on the new reservoir still under construction	80
3.	Mogogelo Yard Connection	R10,243,305.56	Construction (100%)	Project completed Retention period	59
Roads & storm water related					
4.	Upgrading of access road in Makapanstad-Seaparankwe to Moratele	6,059,173.83	Contractor appointed Construction (100%)	Project is completed(phase 1)	22

5.	Upgrading of access road in Mathibestad from D608 to Lefathleng (Tower & RDP)	9,567,120.00	Contractor appointed Construction (100%)	Project is completed(phase 1)	20
6.	Upgrading of Khubamelo Access road in Mmakaunyane	4,783,560.00	Contractor appointed Construction (70%)	Project in progress	7
7.	Construction of Motla Storm water	1,700,000	Contractor appointed Construction (100%)	Project completed (phase 1)	

2. 2012-13 PROJECTS

ITEM No	Project Description	Start date	End date	Status quo	Comments
	SANITATION				
1.	Ward 1 & 4 Basic Sanitation (500 Units)	11-Feb-13	30-Jun-13	Ave. progress 45%	Hard rock is experienced
2.	Ward 5 Basic Sanitation (210 Units)	5-Feb-13	5-Jun-13	Contractor managed to procure material on site and the works are progressing. Ave. progress 70%.	136 Enviroloo installed & top structures
3.	Ward 7 Basic Sanitation (316 Units)	14-Feb-13	14-Jun-13	Ave. progress 60%	117 units installed
4.	Ward 13 & 14 Basic Sanitation (430 Units)	8-Feb-13	8-Aug-13	Ave. progress 50%	Supplier delivering top structures
5.	Ward 15 Basic Sanitation (100 Units)	4-Feb-13	4-Jun-13	Ave. progress 40%	80 enviroloo installed awaiting top structure and extra outstanding material
6.	Mathibestad Basic Sanitation C (416 Units) Mathibestad Basic Sanitation(A&B 242 units)	18-Feb-13	18-Jun-13	Ave. progress 40%	80 units delivered & Installed Schedule A- COMPLETED More material is delivered on site
7.	Moeka, Vuma, Ratjjepane V, Savanna Basic Sanitation (520	25-Feb-13	12-Jul-13	Ave. progress 20%	Excavations (415 pits) commenced, awaiting material

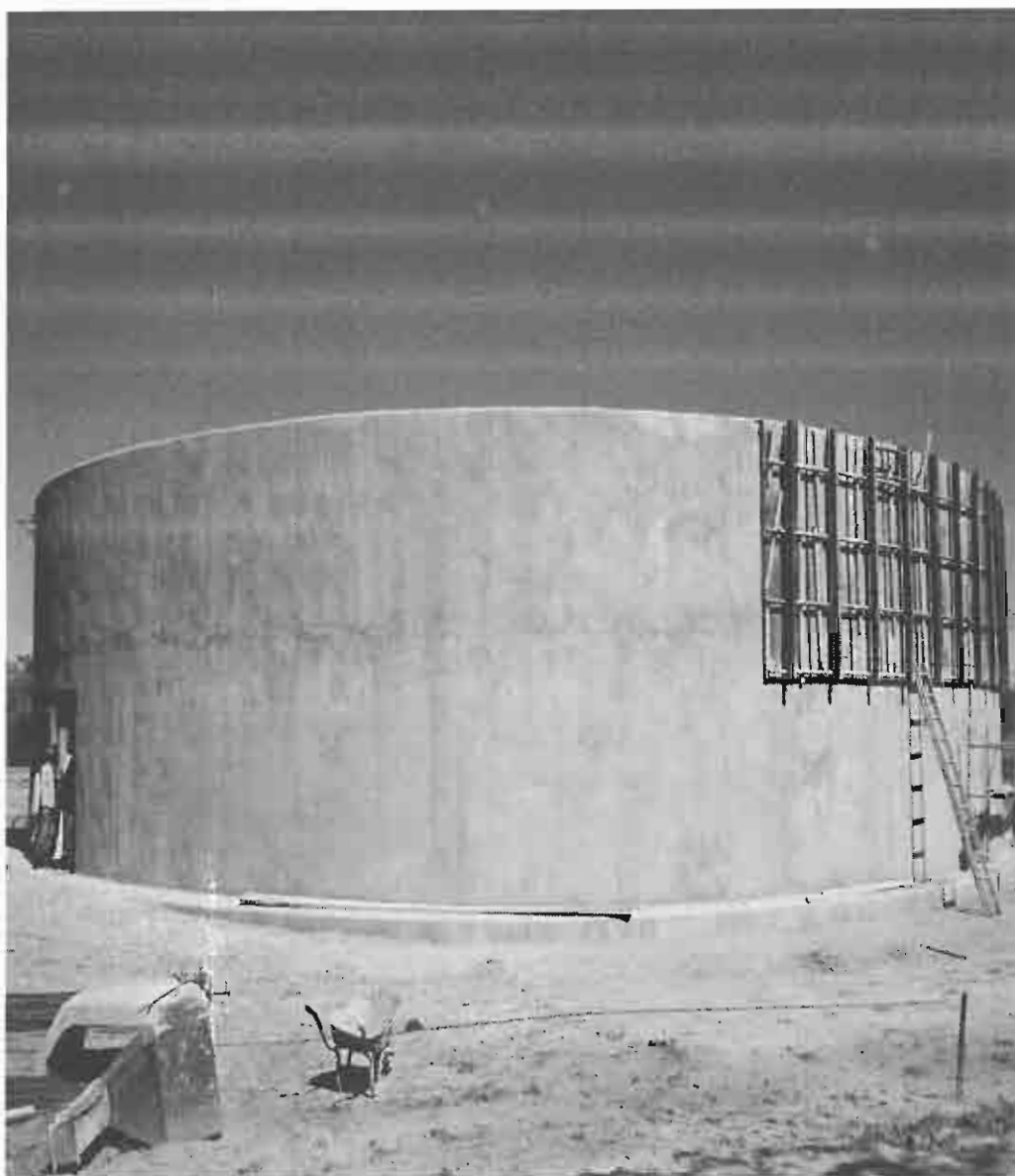
	Units)				
ITEM No	Project Description	Start date	End date	Status quo	Comments
8	Carousel View Internal Roads Phase II (3km)	20-Nov-12	20-May-13	Ave. progress 70 %.	Layer works completed commenced with kerbs
9	Greater Maubane Internal Roads Phase II (1,5km)	3-Dec-12	14-Jun-13	Ave. progress 51 %.	Installation of Kerbs commenced
10	Ga-Mmotla Internal Roads Phase II (6km)	15-Jan-13	07 Dec 2013	Ave. progress 35%	Contractor's planning is poor
11	Swartdam Internal Roads Phase II (1.74km)	7-Jan-13	8-Aug-13	Ave. progress 55%	Stabilization at road 2 & Kerbing commenced road 1
WATER					
12	Upgrading Mmakaunyane Water Reticulation & Yard Connection(Phase 1)	07 May 2013	07 July 2013	Site establishment & meet all contractual obligations	Contractor appointed (Schedule A&B)
	Temba Bulk water supply project for Makapanstad schedule A	July 2013	June 2014	The tender advertised & closed 17 May 2013	Contractor to be appointed in the 2013-14 Financial year
13.	Temba Bulk water supply project fo Mathibestad schedule B	July 2013	June 2014	The tender advertised & closed 17 May 2013	Contractor to be appointed in the 2013-14 Financial year
14.	Refurbishment of nonfunctional schemes & boreholes	May 2013	June 2013	Consultant & Contractor appointed	The contractor is on the ground, work in progress

PHOTOS: INSPECTION OF ITSOSENG CEMETERY ROAD IN SWARTDAMSTAD



3.

RESERVOIR AT NGOBI



2013-14 PROJECTS

ITEM NO	DESCRIPTION	BUDGET	Consultant appointed	Contractor appointed	Status Quo
SANITATION					
1.	Mathibestad Basic Sanitation(Phase 2)	6,800,000.00	yes	no	The specification has sit 22 May 2013 The project is registered
2.	Ward 1& 4 Basic Sanitation(Phase 2)	5,090,000.00	yes	no	The specification has sit 22 May 2013 The project is registered
3.	Moeka, Vuma, Ratjiepane V, Savanna Basic Sanitation(Phase 2)	6,639,101.59	yes	no	The specification has sit 22 May 2013 The project is registered
4.	Ward 13 & 14 Basic Sanitation(Phase 2)	6,500,000.00	yes	no	The specification has sit 22 May 2013 The project is registered
5.	Ward 15 Basic Sanitation(Phase 2)	6,766,208.60	yes	no	The specification has sit 22 May 2013 The project is registered
6.	Ward 5 Basic Sanitation(Phase 2)	7,000,000.00	yes	no	The specification has sit 22 May 2013 The project is registered
7.	Ward 7 Basic Sanitation(Phase 2)	3,171,650.81	yes	no	The specification has sit 22 May 2013 The project is registered
WATER					
8.	Temba Bulk water supply project schedule A	12,147,973	yes	no	The tender closed 17 May 2013 The project is registered
9.	Temba Bulk water supply project schedule B	14,000,000	yes	no	The tender closed 17 May 2013 The project is registered
10.	Upgrading Mmakaunyane Water Reticulation & Yard Connection(Phase 2)	4,945,066	yes	no	The specification has sit 22 May 2013
ROADS & STORM WATER RELATED					
11.	Thulwe Bridge	7,100,000.00	yes	no	The tender closed 03 May 2013

12.	Carousel View Internal Roads(Phase 3)	7,000,000.00	yes	no	The specification has sit 22 May 2013
13.	Motla Internal Roads(Phase 3)	7,000,000.00	yes	no	The specification has sit 22 May 2013
14.	Greater Maubane Internal Roads(Phase 3)	7,000,000.00	yes	no	The specification has sit 22 May 2013
15.	Swartdam Internal Roads(Phase 3)	7,000,000.00	yes	no	The specification has sit 22 May 2013
16.	Motla storm water channel	3,900,000.00	yes	no	The specification has sit 22 May 2013

As discussed during the budget lekgotla as well with the Acting Municipal Manager, Technical Director and Technical Chairperson, the Motla road upgrading will cost R90,000,000.00 Million over three phases. However, the Acting Municipal Manager and CFO must find and make available the annual escalation fee of 6%.

Further, upgrading of Kromkuil road as discussed, should be upgraded in phases and should be linked to Moeka project.

2. Social Services

a) Transport and safety

To cab the road fatalities that we experience on our roads prompted the municipality to consider various options in ensuring that our roads are safe for our people. Since the arrival of the Provincial Traffic, roads accidents have decrease. People have started respecting road law.

b) Sports, Arts and Culture

The municipality has opened two facilities which are aimed at encouraging young and aged to keep themselves fit. These facilities are the Gymnasium and Sutelong Boxing Gym for which if used optimally and purposefully, Moretele may produce professional boxers, body builders and self-employment may be created out of these two facilities.

3. Local Economic Development

a) Youth & Women Empowerment

b) Enterprise and Entrepreneurial Development

c) Renewable Energy Development Programme

I am happy to report that the youth and women empowerment aspect under the LED has been very successful, it is through initiatives of the municipality and the intervention of the CWP that a total of 1480 young men and women have had an income for the past year and will continue to do in the next two years.

The latter mentioned is over and above the project-time based jobs created during the execution of municipal driven infrastructure development projects.

The Makapanstad/Swartdam road is finally getting fixed after almost six years of struggle. The contractor is on site and work on the road is expected to continue for a period of Ten (10) months up to April 2014. Road users are urged to exercise patience and caution to avoid unwanted fatalities.

I must report also that there are processes that aim to bring about a Multi-billion worth of investment in the form of a Solar Photovoltaic Plant in Moretele. It is hoped that the success of this venture could deliver ground breaking changes in the outlook of our communities. Further information relating to this will continue to flow so as to prepare local entrepreneurs, enterprises and the community for their anticipated involvement in this lucrative venture.

It is also encouraging that all major clinics and health centres in Moretele are being used adequately in the fight against HIV/AIDS. The recent statistics revealed that 940 people were enlisted to start the newly introduced single dose at the beginning of May this year and that 3128 have been on ARV treatment since 2009.

The mortality or death rate as a result of HIV related illnesses has gone down by 37% in the Moretele Sub-district while the mother to child infections has been reduced to 3%.

Honourable Speaker'

Ladies and gentlemen;

It is important that I talk about these statistics as well as encourage all of us to test for HIV and other chronic diseases.

It is my responsibility as a leader and as such I am not doing it because it is a programme of government. Our future planning depends on these statistics whether we like it or not.

Our library services have also proved that we were right by providing the same to our community. The number of people using these facilities including the free internet services that comes with them has as at the end of May 2013, sky-rocketed to over 3500 users per month. Most of the users are recorded to be of ages between 13 – 45 years.

Mr. Speaker,

Ladies and gentlemen;

I wish to now move on to present the proposed budget.

This proposed budget and related policies are as a result of an intense engagement with you the community. They reflect our resolve to blend all our municipal programmes with and into the district, provincial and national development framework.

The projects identified, aligned and funded within specific programmes will reflect the mandate given by the State President, Dr. Jacob Zuma during the 2013 State of the Nation Address in March this year. Again the same funded projects have been aligned to speak to the programmes as articulated by the Hon. Premier of the North West Province, Mme Thandi Modise.

As an ANC-led municipality, we have also sought to find resonance of the key policy positions that constitutes the National Development Plan in what we do. Our premise for planning is population statistics because we cannot continue planning if there are no beneficiaries.

Our population as per Census 2011 stood at 186 748, resembling a mere 4,334 increase from the 2007 community survey and 5,710 increase of the existing 181038 population in 2001. By and large we are not a fast growing population from the outlook of things but many other factors such as increased migration contribute immensely to these statistics.

It is very interesting that Moretele, like many other communities has more women than men. The 2011 Census points out that there were 95,755 women as opposed to 91,193 men in Moretele. I can try to use a hypothesis and deduce an irony of this by saying that around 10,000 of the women are employed of the total women population

as opposed to 19,000 men given that the Census statistics revealed the number of employed persons to be 29,475 while 25,053 was unemployed.

Mr. Speaker,

In 2001, there were 43,029 households in Moretele. The 2007 community survey accounted for 43,936 while the 2011 Census gave a result of 52,063 amounting to an increase of only 9,034.

The implications of the statistics given above and our responsiveness to the need to realise the 2030 National Development Plan goals and objectives must simply tell that we have been doing wrong mathematics in the past years. It is also clear that our plans could have simply been copies of other existing plans from elsewhere and not informed by the reality on the ground.

It could also be that the lack of knowledgeable technical staff at the level of the municipality and provincial government added to the calamity. Our primary focus could have been from the onset:

- a) Proper spatial planning;
- b) Attraction of and retention of people and skills by low mortgage housing developments in the prime areas of economic activity;
- c) Passing of enabling laws and by-laws to deal with the impasse on the land question and trade;
- d) Attraction of high impact investment such as the Agriculture and Agro-processing activities and sustaining such;
- e) Sustaining higher education and training facilities in our jurisdiction;
- f) Advancement of sports and recreation and
- g) Lobbying for the building of the economic growth inclined infrastructure in Moretele.

Mr. Speaker,

Ladies and gentlemen;

It cannot be correct that twelve years after the establishment of our municipality, we still sit with challenges that would only make sense being related to a five year old institution.

The ground breaking discoveries of the National Planning Commission that led to the compilation and subsequent adoption of the National Development Plan by the ANC indeed identified discrepancies in the manner in which the initial RDP and GEAR were misguided by Apartheid planning.

The National Development Plan requires all our plans to be informed adequately and factually. Correctly so, our financial systems directs us to do multi-year income and expenditure planning but the actual plans for implementation have been expected to be done in the same year that expenditure must occur. The latter has rendered us very unproductive and to appear as not compliant to legislation as well as dangerously irresponsible to addressing poverty, unemployment and inequality.

The mitigation for change and its success through the NDP is enabling us to see our chances of successfully delivering services by developing plans now. The issue of under-spending will be something of the past because we will from this moment forward meet to discuss valuable matters of service delivery than complaints about why we did not spend conditional grants on time.

We must also arrive at a time when we can discuss without fear how we are empowering local enterprises and entrepreneurs. We must be able to sit down and agree that we have educated and groomed local professionals to execute with the passion, zeal and zest, the mandates of the community they can easily associate with, and close the scarce skills debates.

Hon Speaker,

Let me first acknowledge the National Treasury inputs showing unrealistic revenue projections from trading services.

I urge the Accounting officer to ensure adherence to the inputs and operationalize the tools in our possession e.g. revenue enhancement strategy where the communities should be educated on the importance of paying for services and impact of by-laws enforcement.

The 2013/14 budget estimates will see the reduction of resources on many votes as known before. I must however explain that the basis for this reduction is not an excuse to avoid roll-overs but a rational accounting principle not to over-commit the resources

the municipality does not have. It is also a decision premised on the commitment to register a clean audit for the year in question.

Given our position, we do not have the luxury of spending millions of our own generated income on many socio-economic programmes as we would have liked. Many factors prevail upon our situation, one of which is the imposing shadow of the City of Tshwane to which our capabilities to bring about change, are compared.

This year, and the years to come, we will try to move steadily and taking all necessary caution when identifying programmes and projects for which funds will be allocated.

Honourable Speaker,

Now I present the budget proper in line with the provisions of Chapter 4 of the Local Government: Municipal Finance Management Act, No. 56 of 2003 with specific reference to the entirety of Sections 17, 18, 19 and 20 of the same Act.

Operational Budget

Honourable Speaker,

Our draft estimates gave an indication that we be in a position raise revenue to the tune of R212,534,937 (R212.6 million) as against the anticipated expenditure of R212,463,076 (R212.4 million) resulting in a saving of approximately R71,861.00.

The sources of revenue for Moretele Local Municipality are as follows:

Item	Final Estimates (in millions)	Percentages Less</ More>
Assessment Rates	R 7,360,766.00	79%>
Refuse Removal	R-10,276,923.00	7%<
Water Charges	R 18,221,563.32	6%>
Connection Fees	R 12,329.79	
Consumer Charges	R -2,549.94	
Equitable Shares	R177,267,000.00	
DWAF Refurbishment	R 3,000,000.00	
MSI Grant	R 890,000.00	
Financial Management Grant	R 1,550,000.00	
EPWP Incentive Grant	R 1,175,000.00	

Interest	R 10,646,022.94	6%>
Sundry Income	R 756,981.06	29%<
MIG (Operations)	R 4,013,000.00	
Rental Facilities	R 307,200.00	
Profit on Sale of Assets	R 150,000.00	
Total Operating Revenue	R 235,629,336.04	
Operating Surplus	R 3,519,824.71	

Honourable Speaker,

The presented figures tell us that even though the body looks fat, the bone structure remains fragile and vulnerable. It was recently reported during our strategic lekgotla that the municipality has a deficit of R3 million and as such a drastic cut of the same amount had to be effected from the financial estimates as contained in this draft annual budget.

We have also concluded that if we are indeed going to make necessary changes as well as exercising restraint on expenditure, the filling of certain vacant posts would be done at appropriate time periods and only when there is indication that the municipal cash flow can accommodate the same.

Other cuts that will signify our commitment to complying with budget regulations are:

The salary budget that has been reduced by 21% from the anticipated R77 million to R68.3 million;

Legal fees will be reduced from R3 million to R1.3 million, accommodated to this will be the employment of an in-house legal services manager;

The Performance Management Systems will suffer a loss of R 569,000.00 from the initial R1, 5million anticipated appropriation;

The Municipal Systems Improvement initial allocation of R7.2 million has also been severely cut by 92% and will only get R 890,000.00

The latter mentioned reductions or cuts will enable the municipality to make an allocation of R2, 271 million worth of indigent subsidy in the financial year for the first time.

Notwithstanding the above, and in response to adequately addressing issues of planning delays I alluded to earlier, we have decided to increase professional fees by R9.8 million from the current R3.3 million allocation.

The Mayor's Special Projects will receive a 5% boost and be increased from the current allocation of R507,000.00 to R535,000.00 while Local Economic Development Projects received an addition of R418,000.00 to complement the current offering to be R5.5 million respectively.

Honourable Speaker,

Ladies and gentlemen;

It is very common that people always want to know councillors benefits and I am obliged to inform the public that both the Councillors (R15,358,961.52) and Officials (R51,366,826.41) accounts for a joint payroll of R77,566,687.00 (R77.5 million) which makes provision for the R11,663,011.00 (R11.6 million) provided for vacant posts.

Capital Budget

Honourable Speaker,

We have made allocations for our capital expenditure in the form of new infrastructure development as well as the acquisition of equipment necessary for our operations and also to address the inputs from the communities which were Water, Roads, Electricity, Sanitation and community facilities.

A total of R111, 660.000 (R111.6 million) has been appropriated as the municipality is dependent on Grants and will be spent for the following capital projects:

Roads:

Item	Project Name	Amount
1.	Thulwe Bridge	R7,100,000.00
2.	Carousel Internal Roads Phase 3	R7,000,000.00
3.	Motla Internal Roads Phase 3	R7,000,000.00
4.	Greater Maubane Phase 3	R7,000,000.00

5.	Swartdam Internal Roads	R7,000,000.00
----	-------------------------	---------------

Total Roads allocation: R35, 100,000.00 (R35.1 million)

Sanitation:

Item	Project Name	Amount
1.	Mathibestad Basic Sanitation Phase 11	R6,800,000.00
2.	Ward 1 & 4 Basic Sanitation Phase II	R5,090,000.00
3.	Ward 10 Basic Sanitation Phase II (Moeka, Vuma, Ratjiepan V, Savanna)	R6,639,101.00
4.	Ward 13 & 14 Basic Sanitation Phase II	R6,500,000.00
5.	Ward 15 Basic Sanitation Phase II	R6,766,208.00
6.	Ward 5 Basic Sanitation Phase II	R7,000,000.00
7.	Ward 7 Basic Sanitation Phase II	R3,171,650.00

Total Basic Sanitation: R41,966,961.00

Water:

Item	Project Name	Amount
1.	Mathibestad Water Supply Augmentation	R14,000,000.00
2.	Planning of the Temba Water Treatment Plant Supply Zone Command Reservoir	R12,147,973.00
3.	Upgrading of Mmakaunyane Water Reticulation & Yard Connection	R 4,945,066.00

Total Water Allocation: R31, 093,039.00

I must mention that an allocation for the erection of ward councillors offices at various wards as prioritised earlier has been removed due to lack of funding.

I must say that I would have loved to present like any leader, a much bigger budget than this one but I am comforted by the fact that the little means at our disposal is managed properly and serves its intended purpose.

Honourable Speaker,

Ladies and gentlemen;

May I, in conclusion propose that the draft budget including the related attached policies be adopted by the municipal council as required by legislation and relevant Treasury regulations.

I thank you

LEKGOTLA RECOMMENDATIONS PRIORITISED POSTS

Office of the Mayor

	Post Title	Assumption Date
Post Vacant	Protocol Officer	01/08/2013

Office of the Speaker

	Post Title	Assumption Date
Post Vacant	<ul style="list-style-type: none"> Secretary MPAC 1xResearcher MPAC 1x researcher MPAC 2x Community liaison officer 1x Community liaison officer 	Freezed Vacant Freezed Vacant Placement

Office of the Municipal Manager

	Post Title	Assumption Date
Post Vacant	Manager in the office of MM	01/09/2013
	PMS Coordinator	01/06/2013
	Chief Audit Executive	On hold
	Director : PMS/IDP	01/ 02/2014

Local Economic Development

	Post Title	Assumption date
Post Vacant	<ul style="list-style-type: none"> Town Planner Environmental Officer Tourism Officer 	1/08/2013 1/08/2013 1/08/2013

Community Development Services

	Post Title	Assumption Date
Post Vacant	• Social development manager	On hold
	• Health Manager	Freezed
	• Cemetery coordinator	01/08/2013
	• Supervisor traffic	01/08/2013

HR & Corporate Services

	Post Title	Assumption Date
Post Vacant	• HRD manager	01/10/2013
	• Fleet manager	01/10/2013
	• Record manager	01/08/2013
	• 2x record clerk	Placement

Technical Services

	Post Title	Assumption Date
Post Vacant	• Senior Infrastructure Manager	01/09/2013
	• 2x Process Controllers	01/08/2013
	• PMU Manager 1/08	01/08/2013
	• 4 x Heavy Machine Operators	01/08/2013
	• 4x Technicians	01/08/2013

Budget & Treasury

	Post Title	Assumption Date
Post Vacant	• Finance Systems Administrator	01/06/2013
	• Manager: Expenditure	01/06/2013
	• Manager: Budget & Reporting	01/08/2013

Sports, Art & Culture

Post Vacant

Post Title	Assumption Date
• Sports arts culture officer	01/09/2013
• 4x cleaner internal placement	01/06/2013
• 4x gym assistance	01/06/2013

Mayor's Report No. 1205-05-2013

Medium Term Revenue and Expenditure Framework (MTREF) budget for 2013/14 to 2015/16

Report of the Executive Mayor**REPORT FLOW:**

Executive Committee

Council

1.PURPOSE

The purpose of the report is for Council to consider the 2013/2014 Annual budget. Following the community participation process through the integrated development plan (IDP) and tabled budget process, the 2013/2014 to 2015/2016 annual budget is herewith tabled for consideration and adoption.

2.BACKGROUND

Section 24 of the Municipal Finance Management Act (MFMA) No. 56 of 2003 sub section (1) states "the municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.

Section 24 (2) "an annual budget-

- (a) must be approved before the start of the budget year,
- (b) is approved by the adoption of resolution as may be necessary-
- (i) imposing any municipal tax o the budget year
- ii) setting any municipal tariffs for the budget

iii) approving measurable performance objectives for revenue for each source and for each vote in the budget

iv) approving any changes to the municipality related policies

3. BUDGET SUMMARIES

Section 18 of the MFMA requires that an annual budget must be funded. National Treasury advice municipalities to keep increases in rates, tariffs and other charges at levels that will reflect an appropriate balance between the interest of poor households, other customers and ensuring the financial sustainability of the municipality. In addition tariff setting, especially with this annual budget was carefully considered to ensure certain levels of revenue which can accommodate basic services according to the IDP and to address the increasing demand for bulk infrastructure and renewal of ageing infrastructure within the limits of affordability.

Municipality considered the Provincial Treasury inputs on the draft budget that was approved in March 2013, and corrective measures have been implemented to address their concerns, especially on low collection on trading services and dependency on grants.

The municipality will be receiving grants to the value of R296 million in 2013/14 financial year. In terms of the Division of Revenue Act the equitable share increases from R 155 million to R177 million for the 2013/2014 financial year and is projected to increase to R210 m in the 2014/2015 financial year.

Table 1: Consolidated Overview of Summarized Budgets

Description	Adjustment Budget 2012/13	Budget Year 2013/14	Budget Year+1 2014/15	Budget Year+2 2015/16
Total operating income	211,934,93	235,629,336	-273,525,525	-330,755,446
Total operating expenditure	211,796,419	232,109,511.	241,264,116	252,512,558
Operating Surplus/(Deficit)	-189,466	-3,519,824.71	38,063,603	84,329,390
Transfers to reserves	22,134,738	26,824,648.59	28,192,705.67	29,574,148.25
Transfers FROM reserves	-23,959,277	25,277,037	26,566,166	27,867,908
Surplus/(Deficit)	(1,963,057)	5,472,854	36,437,063	82,623,150

4. Overview of the budget process, the alignment of the annual budget with the IDP.

It must be noted that the integrated development plan has been reviewed and community was consulted during April to May 2013 and this process has allowed the municipality to re-examine its plans and strategies that inform the institutional, financial, infrastructure planning as well as local economic development through the entire budget process.

A sound budget optimally allocates the realistically anticipated resources of the municipality to the achievement of the defined performance objectives and priorities in the municipality's integrated development plan (IDP).

5.Assumptions

National Treasury MFMA Circulars 66 and 67 were used to guide the compilation of the municipality's budget and medium term revenue and expenditure frame work (MTREF) for the 2013/2014 financial year. The municipality encountered the following challenges in the compilation of the budget and the MTREF:

- Given the precarious cash flow position of the municipality, there was the urgent need to prioritize projects and expenditure within the realistically anticipated resources.
- Wage increase of 6.85% for municipal staff for the financial year of the average CPI of 5.6% plus 1.25%.
- The need to fill critical positions in the organogram to reduce reliance on consultants. The Council adopted the Lekgotla resolutions, which had outline key priority list of positions that has to be budgeted in 2013/14 budget. The filling of new posts was supposed to be from 01 August 2013, but only in Mayors office will be filled in August 2013, that is the Protocol Officer. This was considered in order to accommodate the funding of the capital budget.

6. Key factors which influenced the budget are as follows:

The following principles were taken into consideration in the compilation of the 2013/14 MTREF.

- The priorities and guidelines of the 2012/13 Adjustments Budget were used as a basis for establishing baselines for the 2013/14 budget.
- No provisions will be made for national and provincial funded projects unless the relevant grant has been gazetted as required by the annual Division of Revenue Act.
- Generally, increases in tariff and property rates should be affordable in comparison with the inflation rate but the increases are to be cost-reflective in

cases where the increases in input costs are beyond the control of the municipality, for example, the cost of bulk water.

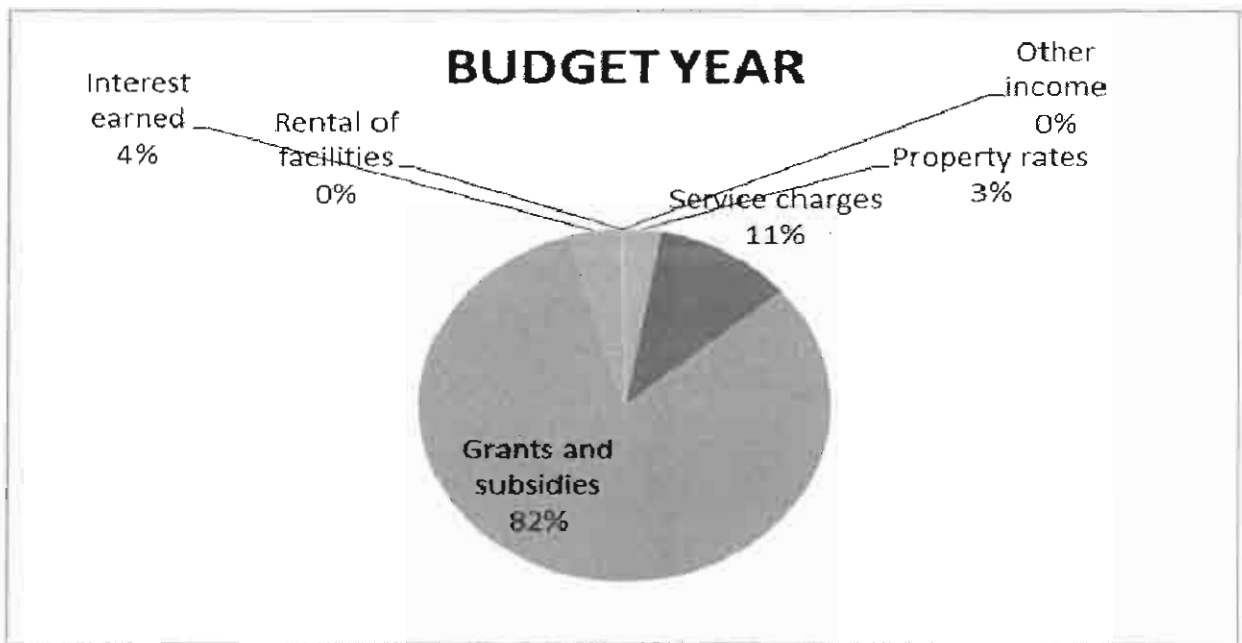
- Individual consultation with respective directorates on their budget inputs
- The Lekgotla resolutions taken during the 17th to 19th of May 2013

7. Operating Revenue

Table 2: Summarized Operating Income Budget

Description	Original Budget	Adjustment Budget 2012/13	Budget Year 2013/14	Budget Year+1 2014/15	Budget Year+2 2015/16	% from Adjusted budget
Property rates	R2,608,428	R4,108,428	7,360,766.00	7,736,165	8,115,237	79%
Service charges	R28,360,234	R28,360,234	28,510,816	29,964,868	31,433,146	1%
Grants and subsidies	R171,285,325	R168,285,325	187,895,000	223,356,738	278,128,389	12%
Interest earned	R10,091,017	R10,091,017	10,646,022	11,188,970	11,737,229	5%
Rental of facilities	R22,332	R22,332	307,200	322,867	338,687	1276%
Other income	R167,601	R1,067,601	759,531	798,267	837,382	-29%
TOTAL OPERATING INCOME	R212,534,937	R211,934,934	235,629,336.	273,525,525	330,755,446	11%

The pie chart illustrating the operating revenue



Compared to the 2012/13 Adjustment Budget, total operating income for the 2013/14 financial year has risen by R23,694,399 or 11%. The operating income for the outer years of the MTREF will grow by 29% and 56% respectively compared to the 2012/13 Adjustments Budget. The growth is based due to the increase in grants, especially equitable share.

The average increase on tariff on other services ranges from 5% to 5,5%. There is no increase on trading services, the reason for non increase is based on the collection rate of below 20% in 2012/13 financial year. Our focus is to implement revenue enhancement quick wins to improve collections and have finalized the data cleansing, so that all consumers are billed monthly. We are mindful that, we should recover costs of delivering services, and with the working together of councilors and community, the increase on revenue will be realized.

Draft credit control and debt collection bylaw and rates bylaw are submitted with the budget for consultation, so that after approval will be implemented to enforce payments.

The table below is a highlight of which grants will be transferred to municipality as per DORA.

Description	2013/14	2014/15	2015/16
EQUITABLE SHARE	177,267,000	210,187,000	264,075,000
WATER OPERATIONAL SUBSIDY	3,000,000	4,500,000	5,000,000
MIG (operating 5% of total MIG)	4,013,000	4,217,663	4,424,328
MUNICIPAL SYSTEMS IMPROVEMENT GRANT	89,0000	934,000	967,000
FINANCE MANAGEMENT GRANT	1,550,000	1,600,000	1,650,000
EPWP	1,175,000	1,334,925	1,295,436
Total	179,869,000	214,921,412	269,279,732
Infrastructure allocation			
MIG	94,160,000	95,389,337	101,474,672
PIG	14,000,000	2,200,000	300,000
Total	108,160,000	97,589,337	101,774,672
Total grants allocations	296,055,000	320,362,925	379,186,436

Rental facilities

The rental of facilities has shown a sharp increase due to the fact that 7 departments and private organization had leased municipal buildings but only two were signed lease

agreements, which did not have annual escalations. The municipality is finalizing the revised leases and entering in lease contracts with those that did not have agreements.

Property rates

The increase in the anticipated revenue budget of property rates has been influenced by the achievement that the municipality's Budget and Treasury has managed to unlock the payments of government properties by Provincial and National Public Works Departments. Most of their properties within Moretele Municipality were not accounted for in their asset registers, but that has been corrected in the current financial year and an amount of R3,220,000 has been recovered from government and another amount was recovered from The Carousel. The Department together with the municipality engaged on the assets verification of all properties belonging to the department. This will results in growth on rates accounts

Trading Services

Trading services have a share of 10% of the total realistic operating revenue budget, and Moretele Municipality, the payments level of service is still below 20%. Measures have been put in place to grow the collection of payment of services to at least 45% in the 2013/14 financial year and up to 60% in the preceding years. The data cleansing activity has been finalized in April 2013, it will assist municipality to send the bills to the correct owners. The municipality had registered 11 000 indigent households in the phase one of the projects, which will correct the costs on beneficiaries of free basic services.

There is a challenge on water supply, since October 2013, but Department of Technical Services has come up with intervention mechanisms, so that community is not rerieved their right to access to clean water. This had little set back on collections, since the credit control measures were hampered, but the problem will be addressed by

external service providers to supply water through water tankering to the community, and flat rate payment be derived from the rendered service.

The municipality has challenge on water infrastructure, it depends on City of Tshwane for bulk supply, and this has a serious ripple effect on servicing of Tshwane account. According to the agreement, Moretele municipality should pay R24 million in 2013/13 financial year. Looking on municipality debt book, 80% of the R67m debt is for households, and currently, council is not supply water to the satisfaction of its consumers, this affect the municipality to collect on arrears account to service City of Tshwane.

The performance on waste removal services in the current year, did not produce the desired output on collection due to the primary service of water, but as mentioned above on the water challenge, the community education and awareness programme are under way to teach our community that pay service that you don't have problem with while municipality is address the challenging areas. Even though the poverty level in Moretele is still higher, we cannot fold hands and rely on government grants to deliver the services to the community, those "who can", will have to pay for the services they are receiving, and those "who can't", the indigent benefit will be utilized.

Other income

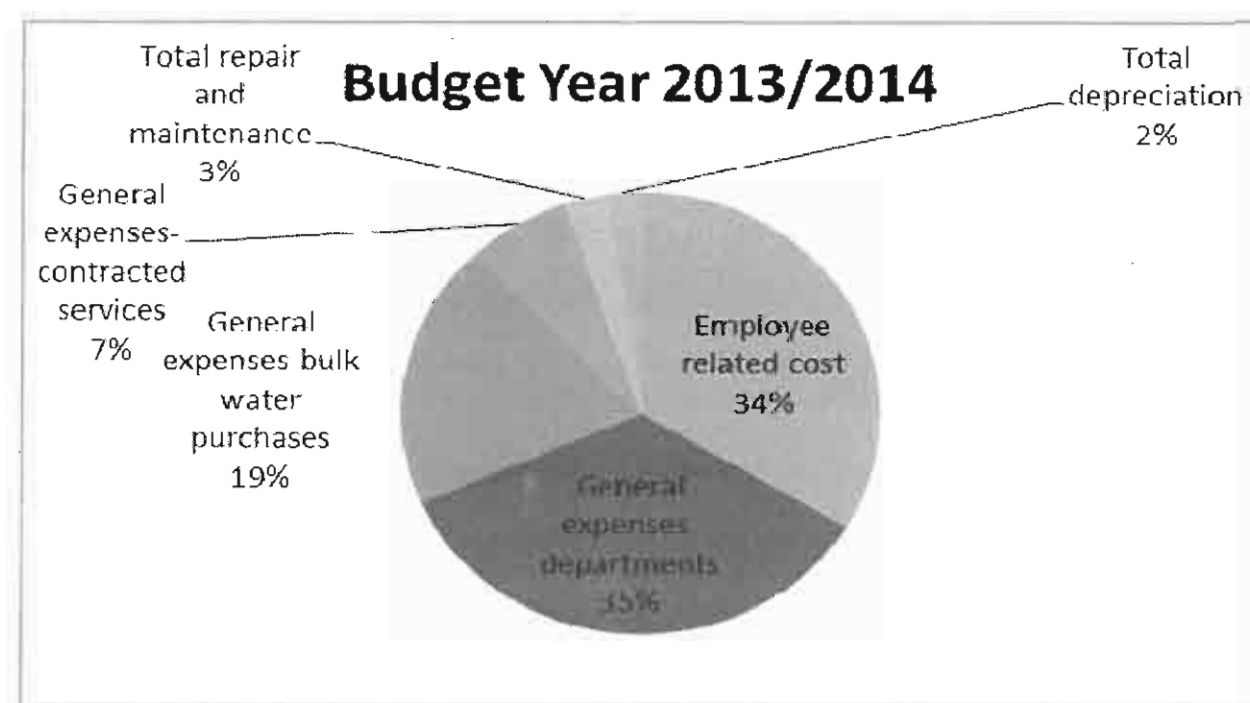
The drop on the other income from R1, 065, 184 to R756 981. was based on tenders amount for consultants for 2013/14 and 2014/15 advertised in the current year.

Operating Expenditure

Table 3: Summarised Operating Expenditure Budget

Description	Original Budget	Adjustment Budget 2012/13	Budget Year 2013/14	Budget Year+1 2014/15	Budget Year+2 2015/16	% from Adjustm ent and budget year
Employee related cost	68,395,267	63,943,483	77,566,587	81,522,483	85,517,085	21%
General expenses- departments	70,665,703	74,905,824	78,468,832	82,940,762	86,431,359	7%
General expenses-bulk water purchases	48,400,000	47,400,000	45,000,000	47,295,000	49,612,455	-5%
General expenses- contracted services	11,414,367	14,189,157	15,962,665	16,776,761	17,598,822	12%
Total repair and maintenance	6,358,502	5,928,502	9,383,576	6,709,139	7,037,886	8%
Total depreciation	7,229,243	5,429,243	5,727,851	6,019,972	6,314,950	5%
TOTAL OPERATING EXPENDITURE	R212,463,082	R211,796,419	R232,109,511	R241,264,116	R252,512,558	9%

The pie chart illustrating the operating Expenditure



Total operating expenditure for the 2013/14 financial year exceeds the 2012/13 Adjustments Budget by R19,384,040 or 9%. When compared to the 2012/13 Adjustments Budget, the total operating expenditure for 2014/15 and 2015/16 will increase by 14% and 219% respectively.

Salary and allowances

Salary budget constitute 35% of the total operating budget for 2013/14. There is an increase of 21% when compared with the 2012/13 budget, the increase is made of the 6.95% annual salary increase, new posts in 2012/13 which were not budgeted fully in the prior year budget but phased in as per priority lists. The municipality has not

implemented the salary wage curve, and the 2013/14 budget seek to address the implementation of task grade. Only one notch system has been in use since the inception of the municipality.

Decision has been made to increase human capacity at Project Management Unit to ensure that no roll over of funds will incur as a results on lack of capacity of staff. The operation of this PMU has been funded from MIG fund.

General expenditure

Poverty is still a major enemy in Moretele municipality. Job creation is a central priority of national government. A new energized focus on maximizing job creation is essential by:

- Ensuring that service delivery and capital projects use labour intensive
- methods wherever appropriated.
- Ensure contractors use labour intensive approaches.
- Supporting LED projects using labour intensive methods

R8m has been allocated to LED Department to focus on skilling of youth within the municipality and focus on manufacturing. There are three projects, which will try and address the issue of unemployment of youth. There is allocation funds for training of youth on solar panel, and reviving of Ngobi Bakery and bricks manufacturing.

The general expenditure has a share of 33% of the total operating budget. Some of the activities that has shown slight increase and decreases are listed below:

- Major cut on the legal cost from R3,1 m in the adjustment budget to R1.3 million in 2013/14 which represent 58%. The municipality has managed to appoint a qualified Legal Manager, which will limit the referral of cases.
- Municipal system improvement chopped down to 93% from 12.88 million to 890,000, for it to be compatible to the MSIG income vote. This was done to

separate the contracted services and professional services, so that proper accounting of transaction is clear and transparent.

- Professional fees increased by 288% as most of activities that were budgeted on the municipal system improvement were moved to professional services and the services will also be done in house.
- Mayor's and speaker's imbizo were decrease by 70%, as we had proposed for three cluster imbizos and one major imbizo.
- VAT return submission reduced by 62%. The function was outsourced in 2012/13, for the 2013/14 financial year it will be done in-house, only biannual review will be done by service providers on risk base.
- Valuation roll has increased by 150% because of a new valuation roll that must be developed for 2014 to 2018. The valuation roll was supposed to have been developed by 2013 but an approval for the extension was granted for 2013/14 financial year.
- Growth in LED programme from R2,450, 000 to R5,588,000 , has been achieved to ensure sustainable and decent jobs for people of Moretele through Ikgopole ka Boiphepho, which is R2,7 million, and the remaining is for agricultural programme and reviving Ngobi Bakery and Moeka Bricks project.
- The new line items to be added for 2013 are
 - Audit Committee with R250,000,
 - SMME with R3,420,000.00,
 - Support to Magosi with R100,000
 - Financial Management Grant Expenditure with R950,000

Repairs and Maintenance

The Treasury guide emphasis that 8% of the operating budget should be allocated to repairs and maintenance, but this budget has only 2.76% allocation. 2,6% is mainly for water and 0.160% is for buildings and vehicles. Refuse removal is outsourced, so no maintenance on vehicles. In terms of roads, province is responsible for all roads within

Moretele, we are only responsible for access roads. Most of our access roads are still on construction, and the remaining once are gravel roads. We had new fleet which are still under guarantee, only service is performed.

The operating expenditure is breakdown per Vote.

EXECUTIVE COUNCIL					
Description	Original Budget	Adjustment Budget 2012/13	Budget Year 2013/14	Budget Year+1 2014/15	Budget Year+2 2015/16
Employee related cost	24,293,422	23,997,234	27,618,231	29,026,761	30,449,072
General expenses-departments	14,340,445	16,558,161	20,688,352	21,743,458	22,808,888
General expenses-bulk water purchases	0	0	0	0	0
General expenses-contracted services	0	0	0	0	0
Total repair and maintenance	80,000	0	0	0	0
Total depreciation					
TOTAL OPERATING EXPENDITURE	38,693,867	40,555,395	42,785,942	44,968,025	47,171,458

Strategic Office					
Description	Original Budget	Adjustment Budget 2012/13	Budget Year 2013/14	Budget Year+1 2014/15	Budget Year+2 2015/16
Employee related cost	4,007,771	3,847,771	3,814,828	4,009,384	4,205,844
General expenses-departments	5,372,286	4,233,059	1,823,230	1,916,215	2,010,109
General expenses-bulk water purchases	0	0	0		0
General expenses-contracted services	0	0	0	0	
Total repair and maintenance	0	0	0	0	0
Total depreciation	0	0	0	0	0
TOTAL OPERATING EXPENDITURE	9,380,059	8,080,830	5,638,058	5,925,599	6,215,953

Budget and Treasury Office					
Description	Original Budget	Adjustment Budget 2012/13	Budget Year 2013/14	Budget Year+1 2014/15	Budget Year+2 2015/16
Employee related cost	13,244,587	11,966,587	14,587,739	15,331,714	16,082,968
General expenses-departments	11,771,125	12,665,380	10,772,882	9,669,299	9,569,595
General expenses-bulk water purchases	0	0	0	0	0
General expenses-contracted services	0	0	0	0	0
Total repair and maintenance	0	0	0	0	0
Total depreciation	0	0	0	0	0
TOTAL OPERATING EXPENDITURE	25,015,712	24,631,967	25,360,621	25,001,013	25,652,653

Budget and Treasury Office					
Description	Original Budget	Adjustment Budget 2012/13	Budget Year 2013/14	Budget Year+1 2014/15	Budget Year+2 2015/16
Property rates	2,608,428	4,108,428	7,360,766	7,736,165	8,115,237
Service charges	0	0	0	0	0
Grants and subsidies	157,954,000	154,954,000	179,707,000	212,721,000	266,692,000
Interest earned	10,091,017	10,091,017	10,646,023	11,188,970	11,737,230
Rental of facilities	22,332	22,332	307,200	322,867	338,688
Other income	143,123	1,043,123	883,707	298,776	978,286
TOTAL OPERATING INCOME	170,818,900	170,219,900	198,904,696	232,897,778	287,857,440

HR and Corporate Services					
Description	Original Budget	Adjustment Budget 2012/13	Budget Year 2013/14	Budget Year+1 2014/15	Budget Year+2 2015/16
Employee related cost	12,084,371	12,476,371	13,339,600	14,019,920	14,706,896
General expenses-departments	15,082,039	17,246,118	18,607,756	19,556,752	20,515,033
General expenses-bulk water purchases	0	0	0	0	0
General expenses-contracted services	3,914,367	5,714,367	6,685,165	7,026,109	7,370,388
Total repair and maintenance	460,229	460,229	685,542	720,504	755,809
Total depreciation	7,229,253	5,429,243	5,727,851	6,019,972	6,314,950
TOTAL OPERATING EXPENDITURE	38,770,249	41,326,328	45,045,915	47,343,256	49,663,076

Technical Services					
Description	Original Budget	Adjustment Budget 2012/13	Budget Year 2013/14	Budget Year+1 2014/15	Budget Year+2 2015/16
Employee related cost	9,878,093	6,996,093	11,946,068	12,555,318	13,170,528
General expenses-departments	20,893,483	20,318,870	24,504,374	25,754,097	27,016,048
General expenses-bulk water purchases	48,400,000	47,400,000	45,000,000	47,295,000	49,612,455
General expenses-contracted services	7,500,000	8,475,000	9,277,500	9,750,653	10,228,434
Total repair and maintenance	5,218,273	5,068,073	8,226,035	5,492,562	5,761,698
Total depreciation					
TOTAL OPERATING EXPENDITURE	91,889,849	88,258,236	98,953,977	100,847,630	105,789,164

Description	Original Budget	Adjustment Budget 2012/13	Budget Year 2013/14	Budget Year+1 2014/15	Budget Year+2 2015/16
Service charges	28,360,234	28,360,234	28,510,816	29,964,868	31,433,146
Grants and subsidies	12,681,325	12,681,325	8,188,000	9,952,588	10,719,765
Interest earned		0	0	0	0
Rental of facilities	0	0	0	0	0
Other income	0	0	0	0	0
TOTAL OPERATING INCOME	41,041,559	41,041,559	36,698,816	39,917,456	42,152,911

Community development services

Description	Original Budget	Adjustment Budget 2012/13	Budget Year 2013/14	Budget Year+1 2014/15	Budget Year+2 2015/16
Employee related cost	4,887,023	4,459,427	6,260,121	6,579,387	6,901,777
General expenses-departments	3,226,325	3,833,288	2,072,236	2,177,920	2,284,638
General expenses-bulk water	0	0	0	0	0

Community development services					
Description	Original Budget	Adjustment Budget 2012/13	Budget Year 2013/14	Budget Year+1 2014/15	Budget Year+2 2015/16
purchases					
General expenses-contracted services					
Total repair and maintenance	600,000	400,000	472,000	496,072	520,830
Total depreciation					
TOTAL OPERATING EXPENDITURE	8,713,348	8,892,715	8,804,357	9,253,379	9,706,795
Grants and subsidies	650,000	650,000	0	0	0
TOTAL OPERATING INCOME	R650,000	R650,000	R0	R0	R0

Capital Budget

Total capital expenditure for the 2013/14 financial year will drop by a marginal 21% or R29. million compared to the 2012/13 Adjustments Budget and the capital expenditure for 2014/15 will decrease by a whopping 18% in comparison to the 2012/13 Adjustments Budget. The major decrease is on Municipal Improvement Grant. The

indicative projection before Compared to the 2012/13 Adjustments Budget, the capital expenditure for the 2015/16 financial year will drop by 14%.

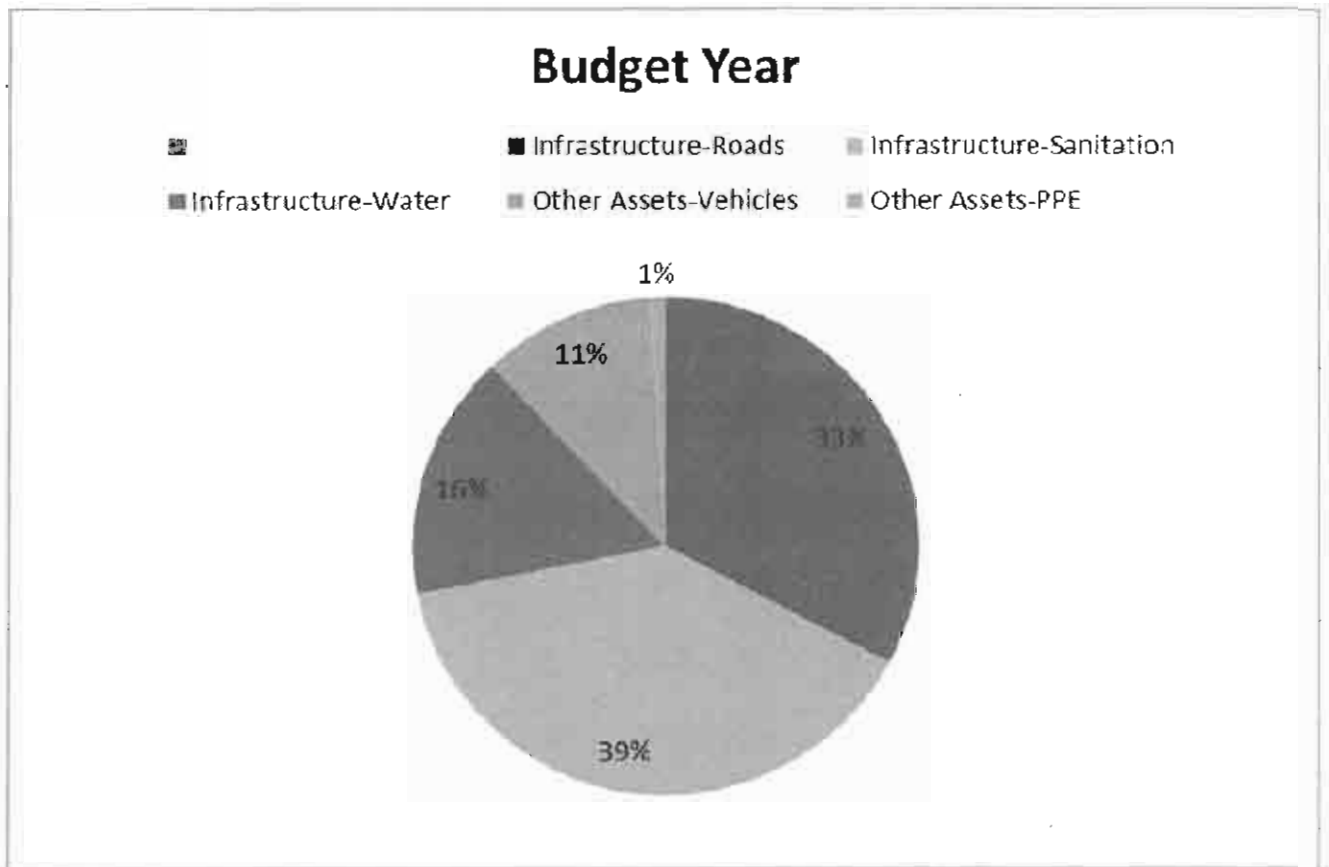
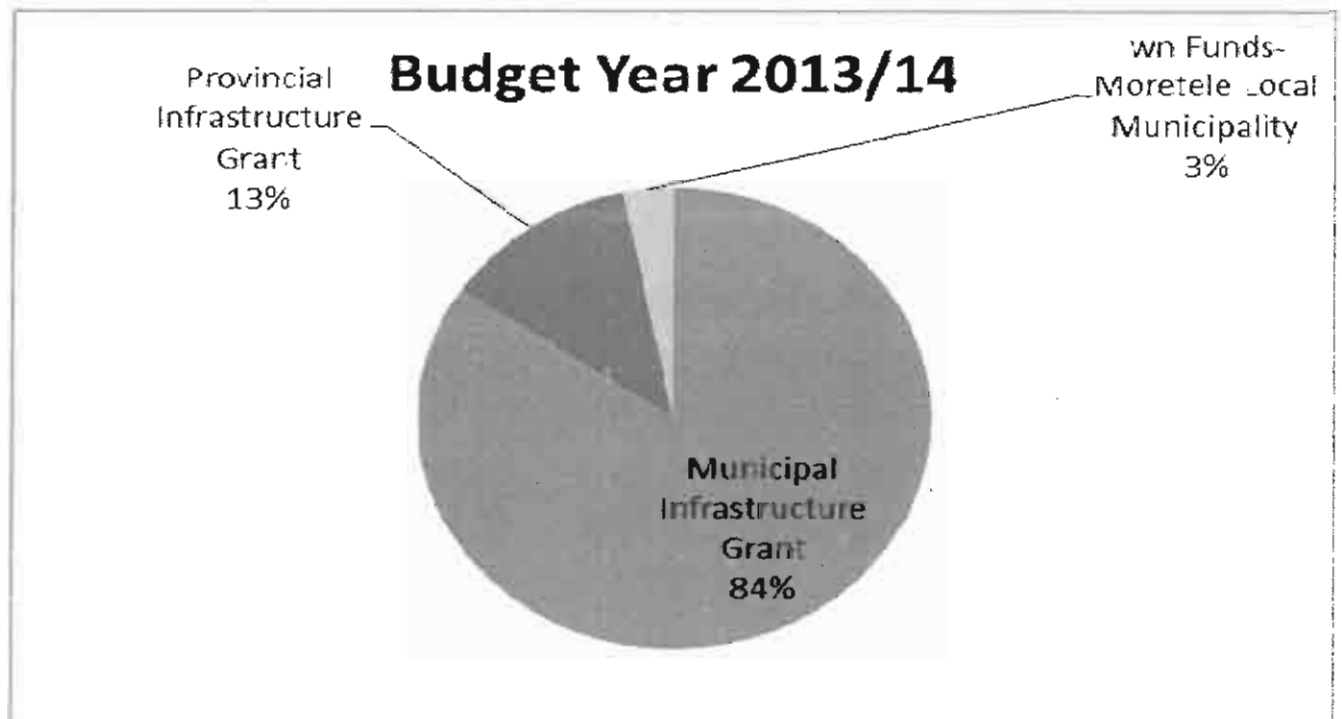


Table 4: Summarized Sources of Finance for Capital Expenditure Budget

Description	Original budget	Adjustment Budget 2012/13	Budget Year 2013/14	Budget Year+1 2014/15	Budget Year+2 2015/16	% variance on adjusted vs 2013/14 budget
Municipal Infrastructure Grant	R101,625,000.	R101,625,000.	R94,160,000	114,216,960.	120,384,67	-7%
Provincial Infrastructure Grant	0	0	14,000,000	0	0	0%
Own Funds- Moretele Local Municipality	R500,000	R500,000	3,500,000	1,056,000	1,113,024	600%
Rollovers	R38,817,414.	R38,817,414.				-100%
TOTAL	R140,942,414	R140,942,414	111,660,000	115,272,960	121,497,700	-21%

Source of Capital Funding



Contribution to capital projects from own revenue

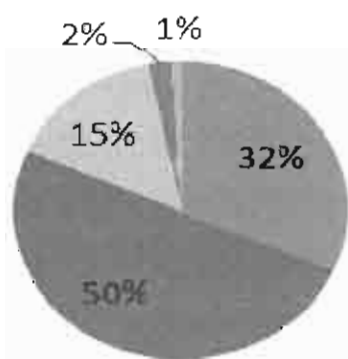
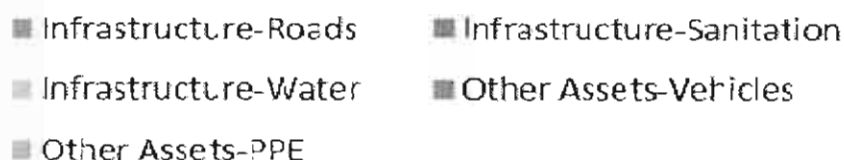
The municipality is contributing R3, 5 million in 2013/12 budget, which represent 3% of the capital budget. The municipality has challenges on water supply, some of the villages don't have boreholes and bulk line is not catering some of the villages, as an interim solution, municipality is supply water through

Table 5: Summarized Capital Expenditure Budget

Description	Original Budget	Adjustment Budget 2012/13	Budget Year 2013/14	Budget Year+1 2014/15	Budget Year+2 2015/16	% variance on adjusted vs 2013/14 budget
Infrastructure-Roads	73,470,769	73,470,769	35,100,000	37,065,600	39,067,142	-52%
Infrastructure-Sanitation	43,254,000	43,254,000	55,966,961	59,101,110	62,292,570	29%
Infrastructure-Water	23,717,644	23,717,645	17,093,039	18,050,249	19,024,963	-28%
Other Assets-Vehicles		-	2,500,000	-	-	0%
Other Assets-PPE	500,000	500,000	1,000,000	1,056,000	1,113,024	100%
TOTAL CAPITAL EXPENDITURE	R140,942,414	R140,942,414	R111,660,000	R115,272,960	R121,497,700	-21%

Capital Budget

Budget Year 2013/14



R2,8 million has been put aside to capitalize the leasing of machinery and equipment, procurement of 2 bakkies and 2 water tankers. R1,000,000.00 to fund other assets.

8. Budget related policies

As defined in section 1 of MFMA, Policies that affect or are affected by the annual budget of a municipality include:

- 1.1 the tariffs policy which the municipality must adopt in terms of section 74 of the municipal System Act, no recommendation for amendment.
- 1.2 The rates policy which the municipality must adopt in terms of section 3 of Municipal Property Rates Act, no recommendation for amendment.
- 1.3 The credit control and debt collection policy which the municipality must adopt in terms of section 96 of the municipal System Act, no recommendation for amendment.

- 1.4 The cash and investment policy which the municipality must adopt in terms of section 13 (2) of the Act, no recommendation for amendment.
- 1.5 The supply chain management policy which the municipality must adopt in terms of section 111 of the Act, attached herewith for amendment.
- 1.6 Asset management policy, still to be review during the current year
- 1.7 The indigent policy of the municipality, attached herewith for amendment.
- 1.8 Any policies related to budget implementation and monitoring including:
 - 1.8.1 a policy dealing with shifting of funds within votes,
 - 1.8.2 a policy dealing with the introduction of adjustment budget,
 - 1.8.3 policies dealing with unforeseen and unavoidable expenditure will be develop in the 2013/14 financial year.

9. BUDGET RESOLUTIONS

- 9.1 That the final draft budget for 2013/14 in annexure A be approved
- 9.2 That the final draft tariff for 2013/14 in annexure B
- 9.3 That the following budget related policies in Annexure C be approved :
 - 9.3.1 Draft Supply Chain management policy as amended in annexure C1 be approved for public participation.
 - 9.3.1 Draft Indigent Policy in Annexure C2 be approved for public participation
 - 9.3.3 Draft Credit control and debt collection bylaw in annexure D be approved for public participation
- 9.4 That certificate of quality assurance signed by Municipal manager in Annexure E be approved.
- 9.4 That the Municipal Manager submit Draft SDBIP to the Mayor for approval within 14 days after the approval of draft budget.

EXCO RECOMMENDATIONS

- As recommended

COUNCIL RESOLVED:

- The final draft budget for 2013/14 approved
- That the final budget for 2013/2014 be align with the IDP

Municipal annual budgets and MTREF & supporting tables

Version 2.5

[Click for Instructions!](#)

Accountability

Transparency

**Information &
service delivery**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Contact details:

Iize Baron
National Treasury
Tel: (012) 395-6742
Electronic submissions: lgdocuments@treasury.gov.za

Preparation Instructions

Municipality Name: NW371 Moretele ▼

CFO Name: N.M. Rampedi

Tel: 012 716 1379

Fax: 012 716 9999

E-Mail: nrampedi@gmail.com

Budget for MTREF starting: 2013 ▼

Budget Year: 2013/14

Does this municipality have Entities? No ▼

If YES: Identify type of report: ▼

Name Votes & Sub-Votes

Printing Instructions

Showing / Hiding Columns

Show Pre-audit columns on all sheets

Hide Reference columns on all sheets

Showing / Clearing Highlights

Clear Highlights on all sheets

Important documents which provide essential assistance

MFMA Budget Circulars

[Click to view](#)

MBRR Budget Formats Guide

[Click to view](#)

Dummy Budget Guide

[Click to view](#)

Funding Compliance Guide

[Click to view](#)

MFMA Return Forms

[Click to view](#)

Organisational Structure Votes	Complete Votes & Sub-Votes	Select Org. Structure
Vote 1 - EXECUTIVE AND MAYOR	Vote 1 EXECUTIVE AND MAYOR	1.1 - MAYOR AND COUNCIL
Vote 2 - MUNICIPAL MANAGER	1.1 MAYOR AND COUNCIL	1.2 - MAYOR AND COUNCIL SUPPORT
Vote 3 - BUDGET AND TREASURY OFFICE	1.2 MAYOR AND COUNCIL SUPPORT	1.3 - COMMUNICATION
Vote 4 - HUMAN RESOURCE AND CORPORATE SERV	1.3 COMMUNICATION	1.4 - LOCAL ECONOMIC DEVELOPMENT
Vote 5 - TECHNICAL SERVICES	1.4 LOCAL ECONOMIC DEVELOPMENT	1.5 - COMMUNITY LIASON OFFICE
Vote 6 - COMMUNITY DEVELOPMENT SERVICES	1.5 COMMUNITY LIASON OFFICE	1.6 - PERFORMANCE MANAGEMENT
Vote 7 - [NAME OF VOTE 7]	1.6 PERFORMANCE MANAGEMENT	
Vote 12 - [NAME OF VOTE 12]	Vote 2 MUNICIPAL MANAGER	
Vote 13 - [NAME OF VOTE 13]	2.1 MUNICIPAL MANAGER'S ADMINISTRATION	2.1 - MUNICIPAL MANAGER'S ADMINISTRATION
Vote 14 - [NAME OF VOTE 14]	2.2 IDP	2.2 - IDP
Vote 15 - [NAME OF VOTE 15]	2.3 INTERNAL AUDIT	2.3 - INTERNAL AUDIT
	Vote 3 BUDGET AND TREASURY OFFICE	
	3.1 BTO ADMIN	3.1 - BTO ADMIN
	3.2 REVENUE UNIT	3.2 - REVENUE UNIT
	3.3 EXPENDITURE AND BUDGET	3.3 - EXPENDITURE AND BUDGET
	3.4 SCM UNIT	3.4 - SCM UNIT
	Vote 4 HUMAN RESOURCE AND CORPORATE SERVICES	
	4.1 ADMINISTRATION	4.1 - ADMINISTRATION
	4.2 INFORMATION TECHNOLOGY	4.2 - INFORMATION TECHNOLOGY
	4.3 HUMAN RESOURCE	4.3 - HUMAN RESOURCE
	Vote 5 TECHNICAL SERVICES	
	5.1 ADMINISTRATION	5.1 - ADMINISTRATION
	5.2 WATER AND SANITATION	5.2 - WATER AND SANITATION
	5.3 ROADS AND STORMWATER	5.3 - ROADS AND STORMWATER
	5.4 PMU	5.4 - PMU
	5.5 ELECTRICITY	5.5 - ELECTRICITY
	Vote 6 COMMUNITY DEVELOPMENT SERVICES	
	6.1 ADMINISTRATION	6.1 - ADMINISTRATION
	6.2 SOCIAL SERVICES	6.2 - SOCIAL SERVICES
	6.3 DISASTER MANAGEMENT	6.3 - DISASTER MANAGEMENT
	6.4 SPORTS, ART AND CULTURE	6.4 - SPORTS, ART AND CULTURE
	6.5 HEALTH	6.5 - HEALTH
	6.6 LIBRARIES	6.6 - LIBRARIES
	6.7 TRANSPORT AND SAFETY	6.7 - TRANSPORT AND SAFETY

NW371 Moretele - Contact Information

A. GENERAL INFORMATION

Municipality NW371 Moretele

Grade

1 Grade in terms of the Remuneration of Public Office Bearers Act.

Province NW NORTH WEST

Web Address

e-mail Address

B. CONTACT INFORMATION

Postal address:

P.O. Box

City / Town

Postal Code

Street address

Building

Street No. & Name

City / Town

Postal Code

General Contacts

Telephone number

Fax number

C. POLITICAL LEADERSHIP

Speaker:

Secretary/PA to the Speaker:

Name

Name

Telephone number

Telephone number

Cell number

Cell number

Fax number

Fax number

E-mail address

E-mail address

Mayor/Executive Mayor:

Secretary/PA to the Mayor/Executive Mayor:

Name

Name

Telephone number

Telephone number

Cell number

Cell number

Fax number

Fax number

E-mail address

E-mail address

Deputy Mayor/Executive Mayor:

Secretary/PA to the Deputy Mayor/Executive Mayor:

Name

Name

Telephone number

Telephone number

Cell number

Cell number

Fax number

Fax number

E-mail address

E-mail address

D. MANAGEMENT LEADERSHIP

Municipal Manager:

Secretary/PA to the Municipal Manager:

Name

Name

Telephone number

Telephone number

Cell number

Cell number

Fax number

Fax number

E-mail address

E-mail address

Chief Financial Officer

Secretary/PA to the Chief Financial Officer

Name N.M. Rampedi

Name

Telephone number 012 716 1379

Telephone number

Cell number 0825780196

Cell number

Fax number	012 716 9999	Fax number
E-mail address	nrampedi@gmail.com	E-mail address
Official responsible for submitting financial information		
Name		
Telephone number		
Cell number		
Fax number		
E-mail address		

NW371 Moretele - Table A1 Budget Summary

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousands									
Financial Performance									
Property rates	1,205	2,461	2,459	2,608	4,108	4,108	7,361	7,736	8,115
Service charges	13,421	14,816	18,386	28,373	28,373	28,373	28,524	29,979	31,448
Investment revenue	6,148	884	9,140	5,368	5,368	5,368	5,663	5,952	6,244
Transfers recognised - operational	148,323	181,491	169,369	171,285	168,285	168,285	187,895	223,357	278,128
Other own revenue	2,058	10,270	648	4,925	5,825	5,825	6,212	6,529	6,849
Total Revenue (excluding capital transfers and contributions)	171,155	209,922	200,002	212,559	211,959	211,959	235,655	273,553	330,784
Employee costs	29,346	30,477	37,944	54,096	49,094	49,094	62,208	65,380	67,315
Remuneration of councillors	10,768	11,482	13,837	14,299	14,849	14,849	15,359	16,142	16,933
Depreciation & asset impairment	105,315	16,825	17,241	7,229	5,429	5,429	5,728	6,020	6,315
Finance charges	5,068	2,928	673	5,068	2,928	2,928	157	165	173
Materials and bulk purchases	39,629	36,142	47,113	54,759	53,329	53,329	54,394	54,004	56,650
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	36,563	82,876	77,651	81,928	88,946	88,946	94,274	97,429	101,630
Total Expenditure	226,689	180,731	194,459	217,379	214,575	214,575	232,120	239,141	249,017
Surplus/(Deficit)	(55,533)	29,191	5,543	(4,820)	(2,616)	(2,616)	3,536	34,412	81,767
Transfers recognised - capital	58,998	44,326	84,926	86,324	97,588	97,588	108,160	114,217	120,385
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	3,465	73,517	90,469	81,504	94,972	94,972	111,696	148,629	202,151
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	3,465	73,517	90,469	81,504	94,972	94,972	111,696	148,629	202,151
Capital expenditure & funds sources									
Capital expenditure	71,059	65,763	69,721	140,942	140,942	140,942	111,660	115,273	121,498
Transfers recognised - capital	48,617	58,985	61,635	140,442	140,442	140,442	108,160	114,217	120,385
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	22,442	6,778	8,086	500	500	500	3,500	1,056	1,113
Total sources of capital funds	71,059	65,763	69,721	140,942	140,942	140,942	111,660	115,273	121,498
Financial position									
Total current assets	66,924	62,804	68,686	57,310	73,344	63,331	52,078	99,564	184,356
Total non current assets	238,869	337,872	390,352	543,059	483,811	632,884	588,443	697,696	812,879
Total current liabilities	145,918	148,448	154,767	326,870	38,000	38,000	63,000	36,000	10,000
Total non current liabilities	6,630	2,371	-	-	12,000	12,000	3,200	3,200	-
Community wealth/Equity	153,246	249,857	304,271	273,499	646,214	646,214	574,321	758,060	987,235
Cash flows									
Net cash from (used) operating	39,058	45,348	96,468	93,486	146,501	146,501	117,258	154,464	207,004
Net cash from (used) investing	(63,455)	(56,483)	(60,575)	(140,942)	(140,942)	(140,942)	(111,660)	(115,273)	(121,498)
Net cash from (used) financing	-	7,206	9,377	-	12,003	12,003	-	-	-
Cash/cash equivalents at the year end	(6,329)	(10,258)	35,013	(21,980)	43,037	43,037	48,635	87,825	173,332
Cash backing/surplus reconciliation									
Cash and investments available	26,779	39,303	32,226	40,544	40,544	40,544	48,635	87,825	173,332
Application of cash and investments	127,485	126,333	121,495	309,681	18,192	24,008	60,712	28,198	2,673
Balance - surplus (shortfall)	(100,706)	(87,030)	(89,269)	(269,137)	22,352	16,536	(12,077)	59,627	170,659
Asset management									
Asset register summary (WDV)	239,528	270,844	309,958	541,759	402,117	631,584	508,049	617,302	732,485
Depreciation & asset impairment	105,315	16,825	17,241	7,229	5,429	5,429	5,728	6,020	6,315
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	5,648	-	6,359	5,929	5,929	9,384	6,709	7,038
Free services									
Cost of Free Basic Services provided	-	-	-	34,668	34,668	34,668	10,641	10,641	10,641
Revenue cost of free services provided	-	-	-	35,096	35,096	35,096	11,068	11,068	11,068
Households below minimum service level									
Water:	-	-	-	32	32	32	32	32	32
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	33	33	33	33	33	33

NW371 Moretele - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		-	-	-	170,843	170,243	170,243	198,956	232,925	287,886
Executive and council		-	-	-	24	24	24	52	27	28
Budget and treasury office		-	-	-	170,819	170,219	170,219	198,905	232,898	287,857
Corporate services		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	710	745
Community and social services		-	-	-	-	-	-	-	710	745
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	128,040	139,304	139,304	144,859	154,134	162,538
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	128,040	139,304	139,304	144,859	154,134	162,538
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	-	-	-	298,883	309,548	309,548	343,815	387,770	451,169
Expenditure - Standard										
<i>Governance and administration</i>		-	-	-	85,910	92,173	92,173	98,526	101,898	106,318
Executive and council		-	-	-	44,066	44,788	44,788	50,130	52,686	55,268
Budget and treasury office		-	-	-	11,771	12,665	12,665	10,773	9,669	9,570
Corporate services		-	-	-	30,073	34,719	34,719	37,624	39,542	41,480
<i>Community and public safety</i>		-	-	-	8,713	8,893	8,893	8,804	9,253	9,707
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	8,713	8,893	8,893	8,804	9,253	9,707
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	91,890	88,258	88,258	98,954	100,848	105,789
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	91,890	88,258	88,258	98,954	100,848	105,789
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	-	-	-	186,513	189,323	189,323	206,285	211,999	221,814
Surplus/(Deficit) for the year		-	-	-	112,370	120,224	120,224	137,531	175,770	229,355

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
2. Total Revenue by standard classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)
3. Total Expenditure by Standard Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)
4. All amounts must be classified under a standard classification (modified GFS). The GFS function 'Other' is only for Abbatoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

NW371 Moretele - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Revenue - Standard										
<i>Municipal governance and administration</i>		-	-	-	170,843	170,243	170,243	198,956	232,925	287,886
Executive and council		-	-	-	24	24	24	52	27	28
Mayor and Council		-	-	-	24	24	24	52	27	28
Municipal Manager		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	170,819	170,219	170,219	198,905	232,898	287,857
Corporate services		-	-	-	-	-	-	-	-	-
Human Resources		-	-	-	-	-	-	-	-	-
Information Technology		-	-	-	-	-	-	-	-	-
Property Services		-	-	-	-	-	-	-	-	-
Other Admin		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	710	745
Community and social services		-	-	-	-	-	-	-	710	745
Libraries and Archives		-	-	-	-	-	-	-	-	-
Museums & Art Galleries etc		-	-	-	-	-	-	-	-	-
Community halls and Facilities		-	-	-	-	-	-	-	-	-
Cemeteries & Crematoriums		-	-	-	-	-	-	-	-	-
Child Care		-	-	-	-	-	-	-	-	-
Aged Care		-	-	-	-	-	-	-	-	-
Other Community		-	-	-	-	-	-	-	710	745
Other Social		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Civil Defence		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Ambulance		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	128,040	139,304	139,304	144,859	154,134	162,538
Planning and development		-	-	-	-	-	-	-	-	-
Economic Development/Planning		-	-	-	-	-	-	-	-	-
Town Planning/Building enforcement		-	-	-	-	-	-	-	-	-
Licensing & Regulation		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	128,040	139,304	139,304	144,859	154,134	162,538
Roads		-	-	-	-	-	-	-	-	-
Public Buses		-	-	-	-	-	-	-	-	-
Parking Garages		-	-	-	-	-	-	-	-	-
Vehicle Licensing and Testing		-	-	-	-	-	-	-	-	-
Other		-	-	-	128,040	139,304	139,304	144,859	154,134	162,538
Environmental protection		-	-	-	-	-	-	-	-	-
Pollution Control		-	-	-	-	-	-	-	-	-
Biodiversity & Landscape		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Electricity Distribution		-	-	-	-	-	-	-	-	-
Electricity Generation		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Water Distribution		-	-	-	-	-	-	-	-	-
Water Storage		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Sewerage		-	-	-	-	-	-	-	-	-
Storm Water Management		-	-	-	-	-	-	-	-	-
Public Toilets		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Solid Waste		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Air Transport		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Tourism		-	-	-	-	-	-	-	-	-
Forestry		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	-	-	-	298,883	309,548	309,548	343,815	387,770	451,169
Expenditure - Standard										
<i>Municipal governance and administration</i>		-	-	-	85,910	92,173	92,173	98,526	101,898	106,318
Executive and council		-	-	-	44,066	44,788	44,788	50,130	52,086	55,268

Mayor and Council				38,694	40,555	40,555	48,307	50,770	53,258
Municipal Manager				5,372	4,233	4,233	1,823	1,916	2,010
Budget and treasury office				11,771	12,665	12,665	10,773	9,669	9,570
Corporate services	-	-	-	30,073	34,719	34,719	37,004	39,542	41,480
Human Resources									
Information Technology				2,909	6,768	6,768	9,897	10,402	10,911
Property Services									
Other Admin				27,163	27,950	27,950	27,727	29,141	30,569
Community and public safety	-	-	-	8,713	8,893	8,893	8,804	9,253	9,707
Community and social services	-	-	-	-	-	-	-	-	-
Libraries and Archives									
Museums & Art Galleries etc									
Community halls and Facilities									
Cemeteries & Crematoriums									
Child Care									
Aged Care									
Other Community									
Other Social									
Sport and recreation				8,713	8,893	8,893	8,804	9,253	9,707
Public safety	-	-	-	-	-	-	-	-	-
Police									
Fire									
Civil Defence									
Street Lighting									
Other									
Housing									
Health	-	-	-	-	-	-	-	-	-
Clinics									
Ambulance									
Other									
Economic and environmental services	-	-	-	91,890	88,258	88,258	98,954	100,848	105,789
Planning and development	-	-	-	-	-	-	-	-	-
Economic Development/Planning									
Town Planning/Building enforcement									
Licensing & Regulation									
Road transport	-	-	-	91,890	88,258	88,258	98,954	100,848	105,789
Roads									
Public Buses									
Parking Garages									
Vehicle Licensing and Testing									
Other				91,890	88,258	88,258	98,954	100,848	105,789
Environmental protection	-	-	-	-	-	-	-	-	-
Pollution Control									
Biodiversity & Landscape									
Other									
Trading services	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-
Electricity Distribution									
Electricity Generation									
Water	-	-	-	-	-	-	-	-	-
Water Distribution									
Water Storage									
Waste water management	-	-	-	-	-	-	-	-	-
Sewerage									
Storm Water Management									
Public Toilets									
Waste management	-	-	-	-	-	-	-	-	-
Solid Waste									
Other	-	-	-	-	-	-	-	-	-
Air Transport									
Abattoirs									
Tourism									
Foreslry									
Markets									
Total Expenditure - Standard	3	-	-	186,513	189,323	189,323	206,285	211,999	221,814
Surplus/(Deficit) for the year		-	-	112,370	120,224	120,224	137,531	175,770	229,355

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist national and international accounts and comparison
2. Total Revenue by Standard Classification must reconcile to total operating revenue shown in Financial Performance (revenue and expenditure)
3. Total Expenditure by Standard Classification must reconcile to total operating expenditure shown in Financial Performance (revenue and expenditure)
4. All amounts must be classified under a Standard (modified GFS) classification. The GFS function 'Other' is only for Abattoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign as appropriate share to relevant classification

check oprev balance	-230,153,481	-254,248,026	-284,928,152	-	0	0	-0	-0	0
check opexp balance	-226,688,947	-180,731,056	-194,458,935	-30,866,137	-25,252,024	-25,252,024	-25,834,893	-27,141,923	-27,203,602

NW371 Moretele - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

NW371 Moretele - Table A5 Budgeted Financial Performance (Revenue and expenditure by municipal vote)

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND MAYOR		-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY OFFICE		-	-	-	170,819	170,219	-	198,833	232,822	287,778
Vote 4 - HUMAN RESOURCE AND CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY DEVELOPMENT SERVICES		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	-	-	170,819	170,219	-	198,833	232,822	287,778
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE AND MAYOR		-	-	-	38,694	40,555	40,555	48,306	50,770	53,258
Vote 2 - MUNICIPAL MANAGER		-	-	-	9,380	8,081	8,081	5,838	5,926	6,216
Vote 3 - BUDGET AND TREASURY OFFICE		-	-	-	25,016	24,632	24,632	25,361	25,001	25,653
Vote 4 - HUMAN RESOURCE AND CORPORATE SERVICES		-	-	-	38,770	41,326	41,326	45,048	47,343	49,663
Vote 5 - TECHNICAL SERVICES		-	-	-	91,890	88,258	88,258	98,954	100,848	105,789
Vote 6 - COMMUNITY DEVELOPMENT SERVICES		-	-	-	8,713	8,893	8,893	8,804	9,253	9,707
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	-	-	212,463	211,745	211,745	232,109	239,141	250,286
Surplus/(Deficit) for the year	2	-	-	-	(41,644)	(41,527)	(211,745)	(33,277)	(6,319)	37,493

References

1. Insert 'Vote': e.g. department, if different to standard classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote

NW371 Moretele - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

[illegible]

NW371 Moretele - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

[illegible]

NW371 Moretele - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

NW3/1 Moretele - Table AS Budgeted Financial Performance (revenue and expenditure by municipal vote)/A										
Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Vote 14 - [NAME OF VOTE 14] 14.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15] 15.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	-	-	170,819	170,219	-	198,833	232,822	287,778

NW371 Moretele - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

[illegible]

NW371 Moretele - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

[illegible]

NW371 Moretele - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Vote 14 - [NAME OF VOTE 14] 14.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15] 15.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	-	-	212,463	211,745	211,745	232,109	239,141	250,286
Surplus/(Deficit) for the year	2	-	-	-	(41,644)	(41,527)	(211,745)	(33,277)	(6,319)	37,493

References

1. Insert 'Vote'; e.g. Department, if different to standard structure
2. Must reconcile to Financial Performance ('Revenue and Expenditure by Standard Classification' and 'Revenue and Expenditure')
3. Assign share in 'associate' to relevant Vote

NW371 Moretele - Table A4 Budgeted Financial Performance (revenue and expenditure)

NW371 Moretele - Table A4 Budgeted Financial Performance (Revenue and Expenditure)										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source										
Property rates	2	1,205	2,461	2,459	2,608	4,108	4,108	7,361	7,736	8,115
Property rates - penalties & collection charges										
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	13,421	14,816	18,386	17,272	17,272	17,272	18,222	19,151	20,069
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	11,077	11,077	11,077	10,277	10,801	11,330
Service charges - other					24	24	24	26	27	28
Rental of facilities and equipment		20	26	22	22	22	22	307	323	339
Interest earned - external investments		6,148	884	9,140	5,368	5,368	5,368	5,663	5,952	6,244
Interest earned - outstanding debtors			9,445		4,723	4,723	4,723	4,983	5,237	5,494
Dividends received										
Fines										
Licences and permits										
Agency services										
Transfers recognised - operational		148,323	161,491	169,369	171,285	168,285	168,285	187,895	223,357	278,128
Other revenue	2	2,038	799	626	179	1,079	1,079	922	969	1,016
Gains on disposal of PPE										
Total Revenue (excluding capital transfers and contributions)		171,155	209,922	200,002	212,559	211,959	211,959	235,655	273,553	330,784
Expenditure By Type										
Employee related costs	2	29,346	30,477	37,944	54,096	49,094	49,094	62,208	65,380	67,315
Remuneration of councillors		10,768	11,482	13,837	14,299	14,849	14,849	15,359	16,142	16,933
Debt impairment	3	5,614	35,348	20,349	12,626	7,583	7,583	8,960	9,417	9,878
Depreciation & asset impairment	2	105,315	16,825	17,241	7,229	5,429	5,429	5,728	6,020	6,315
Finance charges		5,068	2,928	673	5,068	2,928	2,928	157	165	173
Bulk purchases	2	29,803	33,395	42,006	48,400	47,400	47,400	45,000	47,295	49,612
Other materials	8	9,826	2,747	5,107	6,359	5,929	5,929	9,394	6,709	7,038
Contracted services		5,564	3,403	5,728	11,414	14,189	14,189	15,963	16,777	17,599
Transfers and grants		-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	25,385	44,125	51,574	57,868	67,174	67,174	69,352	71,236	74,153
Loss on disposal of PPE										
Total Expenditure		226,689	180,731	194,459	217,379	214,575	214,575	232,120	239,141	249,017
Surplus/(Deficit)		(55,533)	29,191	5,543	(4,820)	(2,616)	(2,616)	3,536	34,412	81,767
Transfers recognised - capital		58,998	44,326	84,926	86,324	97,588	97,588	108,160	114,217	120,385
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-
Contributed assets										
Surplus/(Deficit) after capital transfers & contributions		3,465	73,517	90,469	81,504	94,972	94,972	111,696	148,629	202,151
Taxation										
Surplus/(Deficit) after taxation		3,465	73,517	90,469	81,504	94,972	94,972	111,696	148,629	202,151
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		3,465	73,517	90,469	81,504	94,972	94,972	111,696	148,629	202,151
Share of surplus/ (deficit) of associate	7									
Surplus/(Deficit) for the year		3,465	73,517	90,469	81,504	94,972	94,972	111,696	148,629	202,151

References

1. Classifications are revenue sources and expenditure type
2. Detail to be provided in Table SA1
3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment
4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs
5. Repairs & maintenance detailed in Table A9 and Table SA34c
6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)
7. Equity method

NW371 Moretele - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Capital expenditure - Vote										
Multi-year expenditure to be appropriated	2									
Vote 1 - EXECUTIVE AND MAYOR		-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY OFFICE		-	-	-	-	-	-	-	-	-
Vote 4 - HUMAN RESOURCE AND CORPORATE SERVICES		20,944	6,778	7,654	500	500	500	108,160	114,217	120,385
Vote 5 - TECHNICAL SERVICES		48,617	58,476	61,635	140,442	140,442	140,442	108,160	114,217	120,385
Vote 6 - COMMUNITY DEVELOPMENT SERVICES		1,498	2,509	431	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	71,059	65,763	69,721	140,942	140,942	140,942	108,160	114,217	120,385
Single-year expenditure to be appropriated	2									
Vote 1 - EXECUTIVE AND MAYOR		-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY OFFICE		-	-	-	-	-	-	-	-	-
Vote 4 - HUMAN RESOURCE AND CORPORATE SERVICES		-	-	-	-	-	-	1,000	1,056	1,113
Vote 5 - TECHNICAL SERVICES		-	-	-	-	-	-	2,500	-	-
Vote 6 - COMMUNITY DEVELOPMENT SERVICES		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total								3,500	1,056	1,113
Total Capital Expenditure - Vote		71,059	65,763	69,721	140,942	140,942	140,942	111,660	115,273	121,498
Capital Expenditure - Standard										
Governance and administration		6,856	6,778	8,086	500	500	500	1,000	1,056	1,113
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-
Corporate services		6,856	6,778	8,086	500	500	500	1,000	1,056	1,113
Community and public safety		1,498	2,509	-	-	-	-	-	-	-
Community and social services		1,498	-	-	-	-	-	-	-	-
Sport and recreation		-	2,509	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	73,471	73,471	73,471	35,100	37,066	39,067
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	73,471	73,471	73,471	35,100	37,066	39,067
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		48,617	-	-	66,972	66,972	66,972	73,060	77,151	81,318
Electricity		5,592	-	-	-	-	-	17,000	18,050	19,025
Water		20,061	-	-	23,718	23,718	23,718	-	-	-
Waste water management		-	-	-	43,254	43,254	43,254	-	-	-
Waste management		22,943	-	-	-	-	-	55,967	59,101	62,283
Other		14,087	56,476	61,635	-	-	-	2,500	-	-
Total Capital Expenditure - Standard	3	71,059	65,763	69,721	140,942	140,942	140,942	111,660	115,273	121,498
Funded by:										
National Government		48,617	56,476	61,635	140,442	140,442	140,442	94,160	114,217	120,385
Provincial Government		-	2,509	-	-	-	-	14,000	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	48,617	58,985	61,635	140,442	140,442	140,442	108,160	114,217	120,385
Public contributions & donations	5									
Borrowing	6									
Internally generated funds		22,442	6,778	8,086	500	500	500	3,500	1,056	1,113
Total Capital Funding	7	71,059	65,763	69,721	140,942	140,942	140,942	111,660	115,273	121,498

References

- Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3)
- Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year
- Capital expenditure by standard classification must reconcile to the appropriations by vote
- Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)
- Must reconcile to Budgeted Financial Performance (revenue and expenditure)
- Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17
- Total Capital Funding must balance with Total Capital Expenditure
- Include any capitalised interest (MFMA section 46) as part of relevant capital budget

NW371 Moretele - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

[illegible]

[illegible]

15 1 - [Name of sub-vote]							-	-	-
							-	-	-
							-	-	-
							-	-	-
							-	-	-
							-	-	-
							-	-	-
							-	-	-
							-	-	-
							-	-	-
Capital multi-year expenditure sub-total	71,059	65,763	69,721	140,942	140,942	140,942	108,160	114,217	120,385

NW371 Moretele - Table A6 Budgeted Financial Position

Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
ASSETS											
Current assets											
Cash			30,961	39,303	32,226	39,244	39,244	39,244	48,635	87,825	173,332
Call investment deposits	1		3	—	—	—	—	—	—	—	—
Consumer debtors	1		20,831	12,704	28,079	18,066	34,100	24,087	3,443	11,739	11,024
Other debtors			15,130	9,583	7,656	—	—	—			
Current portion of long-term receivables											
Inventory	2			1,214	725						
Total current assets			66,924	62,804	68,686	57,310	73,344	63,331	52,078	99,564	184,356
Non current assets											
Long-term receivables											
Investments			1,300			1,300	1,300	1,300			
Investment property											
Investment in Associate											
Property, plant and equipment	3		237,569	337,872	390,352	541,759	482,511	631,584	588,443	697,696	812,879
Agricultural											
Biological											
Intangible											
Other non-current assets											
Total non current assets			238,869	337,872	390,352	543,059	483,811	632,884	588,443	697,696	812,879
TOTAL ASSETS			305,794	400,676	459,038	600,369	557,154	696,214	640,521	797,260	997,235
LIABILITIES											
Current liabilities											
Bank overdraft	1		5,485	—	—	—	—	—	—	—	—
Borrowing	4		7,928	5,049	2,371	—	—	—	—	—	—
Consumer deposits											
Trade and other payables	4		130,960	139,810	149,234	326,870	38,000	38,000	63,000	36,000	10,000
Provisions			1,544	3,589	3,162						
Total current liabilities			145,918	148,448	154,767	326,870	38,000	38,000	63,000	36,000	10,000
Non current liabilities											
Borrowing			6,630	2,371	—	—	12,000	12,000	3,200	3,200	—
Provisions			—	—	—	—	—	—	—	—	—
Total non current liabilities			6,630	2,371	—	—	12,000	12,000	3,200	3,200	—
TOTAL LIABILITIES			152,548	150,819	154,767	326,870	50,000	50,000	66,200	39,200	10,000
NET ASSETS			153,246	249,857	304,271	273,499	507,154	646,214	574,321	758,060	987,235
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)			(203,703)	(107,092)	303,408	—	51	51	3,510	34,384	81,739
Reserves	4		356,950	356,950	863	273,499	646,163	646,163	570,811	723,675	905,496
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY			153,246	249,857	304,271	273,499	646,214	646,214	574,321	758,060	987,235

References

1. Detail to be provided in Table SA3
2. Include completed low cost housing to be transferred to beneficiaries within 12 months
3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)
4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.
5. Net assets must balance with Total Community Wealth/Equity

NW371 Moretele - Table A7 Budgeted Cash Flows

NW371 Moretele - Table A7 Budgeted Cash Flows

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		-	16,658	16,684	34,163	22,251	22,251	27,978	29,405	30,846
Government - operating	1	38,208	141,671	147,523	150,290	218,756	218,756	187,895	223,357	278,128
Government - capital	1	-	-	-	101,375	97,588	97,588	108,160	114,217	120,385
Interest		951	1,089	6,148	12,038	13,164	13,164	10,646	11,189	11,737
Dividends				-						
Payments										
Suppliers and employees		-	(109,710)	(73,780)	(166,948)	(186,742)	(186,742)	(217,265)	(223,539)	(233,919)
Finance charges		(100)	(4,360)	(106)	(353)	(353)	(353)	(157)	(165)	(173)
Transfers and Grants	1				(37,079)	(18,163)	(18,163)			
NET CASH FROM/(USED) OPERATING ACTIVITIES		39,058	45,348	96,468	93,486	146,501	146,501	117,258	154,464	207,004
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	495	-	-	-	-			
Decrease (Increase) in non-current debtors		-	-	-	-	-	-			
Decrease (increase) other non-current receivables		-	-	-	-	-	-			
Decrease (increase) in non-current investments		(0)	(1,000)	(300)	-	-	-			
Payments										
Capital assets		(63,454)	(55,978)	(60,275)	(140,942)	(140,942)	(140,942)	(111,660)	(115,273)	(121,498)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(63,455)	(56,483)	(60,575)	(140,942)	(140,942)	(140,942)	(111,660)	(115,273)	(121,498)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-			
Borrowing long term/refinancing		-	7,206	9,377	-	12,003	12,003			
Increase (decrease) in consumer deposits		-	-	-	-	-	-			
Payments										
Repayment of borrowing										
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	7,206	9,377	-	12,003	12,003	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(24,396)	(3,929)	45,270	(47,456)	17,562	17,562	5,598	39,191	85,506
Cash/cash equivalents at the year begin:	2	18,088	(6,329)	(10,258)	25,476	25,476	25,476	43,037	48,635	87,825
Cash/cash equivalents at the year end:	2	(6,329)	(10,258)	35,013	(21,980)	43,037	43,037	48,635	87,825	173,332

References

1. Local/District municipalities to include transfers from/to District/Local Municipalities
2. Cash equivalents includes investments with maturities of 3 months or less

NW371 Moretele - Table A8 Cash backed reserves/accumulated surplus reconciliation

RW371 Moretele - Table A6 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Cash and investments available										
Cash/cash equivalents at the year end	1	(6,329)	(10,258)	35,013	(21,980)	43,037	43,037	48,635	87,825	173,332
Other current investments > 90 days		31,807	49,560	(2,786)	61,224	(3,794)	(3,794)	0	(0)	0
Non current assets - Investments	1	1,300	-	-	1,300	1,300	1,300	-	-	-
Cash and investments available:		26,779	39,303	32,226	40,544	40,544	40,544	48,635	87,825	173,332
Application of cash and investments										
Unspent conditional transfers		20,272	32,237	54,665	68,710	38,000	38,000	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	107,213	94,096	66,830	240,971	(19,808)	(13,992)	60,712	28,198	2,673
Other provisions		-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		127,485	126,333	121,495	309,681	18,192	24,008	60,712	28,198	2,673
Surplus(shortfall)		(100,706)	(87,030)	(89,269)	(269,137)	22,352	16,536	(12,077)	59,627	170,659

References

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves

NW371 Moretele - Table A9 Asset Management

Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
CAPITAL EXPENDITURE											
Total New Assets		1	71,059	65,763	69,721	140,942	140,942	140,942	111,660	115,273	121,498
Infrastructure - Road transport			-	-	-	73,471	73,471	73,471	35,100	37,066	39,067
Infrastructure - Electricity			5,594	-	-	-	-	-	-	-	-
Infrastructure - Water			20,061	-	-	23,718	23,718	23,718	17,093	18,050	19,025
Infrastructure - Sanitation			-	-	-	-	-	-	-	-	-
Infrastructure - Other			22,943	-	-	43,253	43,253	43,253	55,967	59,101	62,293
Infrastructure			48,618	-	-	140,442	140,442	140,442	108,160	114,217	120,386
Community			1,498	2,509	-	-	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets		6	20,943	63,254	69,721	500	500	500	3,500	1,056	1,113
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets		2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport			-	-	-	-	-	-	-	-	-
Infrastructure - Electricity			-	-	-	-	-	-	-	-	-
Infrastructure - Water			-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation			-	-	-	-	-	-	-	-	-
Infrastructure - Other			-	-	-	-	-	-	-	-	-
Infrastructure			-	-	-	-	-	-	-	-	-
Community			-	-	-	-	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets		6	-	-	-	-	-	-	-	-	-
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			-	-	-	-	-	-	-	-	-
Total Capital Expenditure		4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport			-	-	-	73,471	73,471	73,471	35,100	37,066	39,067
Infrastructure - Electricity			5,594	-	-	-	-	-	-	-	-
Infrastructure - Water			20,061	-	-	23,718	23,718	23,718	17,093	18,050	19,025
Infrastructure - Sanitation			-	-	-	-	-	-	-	-	-
Infrastructure - Other			22,943	-	-	43,253	43,253	43,253	55,967	59,101	62,293
Infrastructure			48,618	-	-	140,442	140,442	140,442	108,160	114,217	120,386
Community			1,498	2,509	-	-	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets			-	-	-	-	-	-	-	-	-
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		2	71,059	65,763	69,721	140,942	140,942	140,942	111,660	115,273	121,498
ASSET REGISTER SUMMARY - PPE (WDV)		5	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport			-	-	-	-	-	-	-	-	-
Infrastructure - Electricity			-	-	-	-	-	-	-	-	-
Infrastructure - Water			-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation			-	-	-	-	-	-	-	-	-
Infrastructure - Other			239,526	270,844	309,958	541,759	402,117	631,584	508,049	617,302	732,485
Infrastructure			239,526	270,844	309,958	541,759	402,117	631,584	508,049	617,302	732,485
Community			-	-	-	-	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets			-	-	-	-	-	-	-	-	-
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)		5	239,526	270,844	309,958	541,759	402,117	631,584	508,049	617,302	732,485
EXPENDITURE OTHER ITEMS			-	-	-	-	-	-	-	-	-
Depreciation & asset impairment			105,315	16,825	17,241	7,229	5,429	5,429	5,728	6,020	6,315
Repairs and Maintenance by Asset Class		3	-	5,648	-	6,359	5,929	5,929	9,384	6,709	7,038
Infrastructure - Road transport			-	-	-	-	-	-	-	-	-
Infrastructure - Electricity			-	750	-	795	795	795	839	891	925
Infrastructure - Water			-	4,578	-	2,755	2,755	2,755	5,900	3,048	3,197
Infrastructure - Sanitation			-	-	-	1,300	1,150	1,150	1,060	1,114	1,169
Infrastructure - Other			-	160	-	168	168	168	177	188	195
Infrastructure			-	5,488	-	5,018	4,668	4,668	7,876	4,230	5,486
Community			-	-	-	-	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets		6, 7	-	160	-	1,340	1,060	1,060	1,408	1,479	1,552
TOTAL EXPENDITURE OTHER ITEMS			105,315	22,473	17,241	13,588	11,358	11,358	15,111	12,729	13,353
Renewal of Existing Assets as % of total capex			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE			0.0%	1.7%	0.0%	1.2%	1.2%	0.9%	1.6%	1.0%	0.9%
Renewal and R&M as a % of PPE			0.0%	2.0%	0.0%	1.0%	1.0%	1.0%	2.0%	1.0%	1.0%

References

- Detail of new assets provided in Table SA34a
- Detail of renewal of existing assets provided in Table SA34b
- Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
- Must reconcile to total capital expenditure on Budgeted Capital Expenditure
- Must reconcile to 'Budgeted Financial Position' (written down value)
- Donated/contributed and assets funded by finance leases to be allocated to the respective category

NW371 Moretele - Table A10 Basic service delivery measurement

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Household service targets	1									
Water:										
Piped water inside dwelling					25	25	25	25	25	25
Piped water inside yard (but not in dwelling)					22,528	22,528	22,528	22,528	22,528	22,528
Using public tap (at least min.service level)	2				4,307	4,307	4,307	4,307	4,307	4,307
Other water supply (at least min.service level)	4									
Minimum Service Level and Above sub-total		-	-	-	26,860	26,860	26,860	26,860	26,860	26,860
Using public tap (< min.service level)	3				31,523	31,523	31,523	31,523	31,523	31,523
Other water supply (< min.service level)	4				300	300	300	300	300	300
No water supply										
Below Minimum Service Level sub-total		-	-	-	31,823	31,823	31,823	31,823	31,823	31,823
Total number of households	5	-	-	-	58,683	58,683	58,683	58,683	58,683	58,683
Sanitation/sewerage:										
Flush toilet (connected to sewerage)										
Flush toilet (with septic tank)										
Chemical toilet										
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)										
Electricity - prepaid (min.service level)					2,161	2,161	2,161	2,161	2,161	2,161
Minimum Service Level and Above sub-total		-	-	-	2,161	2,161	2,161	2,161	2,161	2,161
Electricity (< min.service level)										
Electricity - prepaid (< min.service level)										
Other energy sources										
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	2,161	2,161	2,161	2,161	2,161	2,161
Refuse:										
Removed at least once a week										
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal					33,200	33,200	33,200	33,200	33,200	33,200
Below Minimum Service Level sub-total		-	-	-	33,200	33,200	33,200	33,200	33,200	33,200
Total number of households	5	-	-	-	33,200	33,200	33,200	33,200	33,200	33,200
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)					32,549	32,549	32,549	7,700	7,700	7,700
Sanitation (free minimum level service)								7,700	7,700	7,700
Electricity/other energy (50kwh per household per month)								11,200	11,200	11,200
Refuse (removed at least once a week)					-	-	-	-	-	-
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)					14,781	14,781	14,781	3,428	3,428	3,428
Sanitation (free sanitation service)					14,781	14,781	14,781	3,428	3,428	3,428
Electricity/other energy (50kwh per household per month)					5,107	5,107	5,107	3,785	3,785	3,785
Refuse (removed once a week)					-	-	-	-	-	-
Total cost of FBS provided (minimum social package)		-	-	-	34,668	34,668	34,668	10,641	10,641	10,641
Highest level of free service provided										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)					427	427	427	427	427	427
Property rates (other exemptions, reductions and rebates)										
Water					14,781	14,781	14,781	3,428	3,428	3,428
Sanitation					14,781	14,781	14,781	3,428	3,428	3,428
Electricity/other energy					5,107	5,107	5,107	3,785	3,785	3,785
Refuse					-	-	-	-	-	-
Municipal Housing - rental rebates					-	-	-	-	-	-
Housing - top structure subsidies					-	-	-	-	-	-
Other					-	-	-	-	-	-
Total revenue cost of free services provided (total social package)		-	-	-	35,096	35,096	35,096	11,068	11,068	11,068

References

1. Include services provided by another entity: e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain-water tank etc.
5. Must agree to total number of households in municipal area
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free
8. Must reflect the cost to the municipality of providing the Free Basic Service

NW371 Moretele - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
REVENUE ITEMS:										
Property rates	6									
Total Property Rates		1,205	2,461	2,459	2,608	4,108	4,108	7,361	7,736	8,115
less Revenue Foregone										
Net Property Rates		1,205	2,461	2,459	2,608	4,108	4,108	7,361	7,736	8,115
Service charges - electricity revenue	6									
Total Service charges - electricity revenue										
less Revenue Foregone										
Net Service charges - electricity revenue		-	-	-	-	-	-	-	-	-
Service charges - water revenue	6									
Total Service charges - water revenue		13,421	14,816	18,386	17,272	17,272	17,272	18,222	19,151	20,089
less Revenue Foregone										
Net Service charges - water revenue		13,421	14,816	18,386	17,272	17,272	17,272	18,222	19,151	20,089
Service charges - sanitation revenue										
Total Service charges - sanitation revenue										
less Revenue Foregone										
Net Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	6									
Total refuse removal revenue					11,077	11,077	11,077	10,277	10,801	11,330
Total landfill revenue										
less Revenue Foregone										
Net Service charges - refuse revenue		-	-	-	11,077	11,077	11,077	10,277	10,801	11,330
Other Revenue by source										
CHARGES, YARD CONNECTION					12	12	12	12	13	14
CLEARANCE CERTIFICATE					2	2	2	3	3	3
PROFIT ON SALE OF ASSETS								150	158	165
OTHER INCOME		2,038	799	626	165	1,065	1,065	757	796	835
Total 'Other' Revenue	3 1	2,038	799	626	179	1,079	1,079	922	969	1,016
EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	2	29,346	30,477	37,944	37,160	30,176	30,176	41,490	43,606	45,742
Pension and UIF Contributions					6,420	5,927	5,927	7,717	8,110	8,508
Medical Aid Contributions					2,878	2,856	2,856	2,804	2,947	3,091
Overtime					1,028	1,344	1,344	683	718	753
Performance Bonus					2,958	2,770	2,770	3,242	3,407	3,574
Motor Vehicle Allowance					2,723	4,704	4,704	4,264	4,481	4,701
Cellphone Allowance					499	670	670	650	683	716
Housing Allowances					160	251	251	209	219	230
Other benefits and allowances					270	396	396	1,151	1,209	
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	4									
sub-total	5	29,346	30,477	37,944	54,096	49,094	49,094	62,208	65,380	67,315
Less: Employees costs capitalised to PPE										
Total Employee related costs	1	29,346	30,477	37,944	54,096	49,094	49,094	62,208	65,380	67,315
Contributions recognised - capital										
List contributions by contract										
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment		105,315	18,825	17,241	7,229	5,429	5,429	5,728	6,020	6,315
Lease amortisation										
Capital asset impairment										
Depreciation resulting from revaluation of PPE	10									
Total Depreciation & asset impairment	1	105,315	18,825	17,241	7,229	5,429	5,429	5,728	6,020	6,315
Bulk purchases										
Electricity Bulk Purchases										
Water Bulk Purchases		29,803	33,385	42,006	48,400	47,400	47,400	45,000	47,295	49,612

References

1. Must reconcile with 'Budgeted Financial Performance (Revenue and Expenditure)
2. Must reconcile to supporting documentation on staff salaries

3. Insert other categories where revenue or expenditure is of a material nature (list separate items until 'General expenses' is not > 10% of Total Expenditure)
4. Expenditure to meet any 'unfunded obligations'
5. This sub-total must agree with the total on SA22 but excluding councillor and board member items
6. Include a note for each revenue item that is affected by 'revenue foregone'
7. Special consideration may have to be given to including 'goodwill arising' or 'joint venture' budgets where circumstances require this (include separately under relevant notes)

NW371 Moretele - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - EXECUTIVE AND MAYOR	Vote 2 - MUNICIPAL MANAGER	Vote 3 - BUDGET AND TREASURY OFFICE	Vote 4 - HUMAN RESOURCE AND CORPORATE SERVICES	Vote 5 - TECHNICAL SERVICES	Vote 6 - COMMUNITY DEVELOPMENT SERVICES	Vote 7 - [NAME OF VOTE 7]	Vote 8 - [NAME OF VOTE 8]	Vote 9 - [NAME OF VOTE 9]	Vote 10 - [NAME OF VOTE 10]	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates				7,361													7,361
Property rates - penalties & collection charges																	-
Service charges - electricity revenue						18,234											18,234
Service charges - water revenue																	-
Service charges - sanitation revenue						10,277											10,277
Service charges - refuse revenue																	-
Service charges - other																	26
Rental of fixtures and equipment				307													307
Interest earned - external investments				5,663													5,663
Interest earned - outstanding debits				4,983													4,983
Dividends received																	-
Fines																	-
Licences and permits																	-
Agency services																	-
Other revenue				884													884
Transfers recognised - operational				179,707		8,108											187,815
Gains on disposal of PPE																	-
Total Revenue (excluding capital transfers and contributions)		26		183,905		36,599											235,629
Expenditure By Type																	
Employee related costs		12,259	3,815	14,598	13,340	11,946	6,260										62,208
Remuneration of councillors		15,359															15,359
Debt impairment						8,660											8,660
Depreciation & asset impairment					5,726												5,726
Finance charges				157													157
Bulk purchases						45,000											45,000
Other materials					885	8,226	472										9,583
Contracted services					6,085	9,278											15,363
Transfers and grants																	-
Other expenditure		20,688	1,823	10,616	18,808	15,387	2,052										69,336
Loss on disposal of PPE																	-
Total Expenditure		48,307	5,638	25,361	45,045	98,933	8,804										232,094
Surplus/(Deficit)		(48,281)	(5,638)	173,544	(45,045)	(62,334)	(8,804)										3,536
Transfers recognised - capital						108,160											108,160
Contributions recognised - capital																	-
Contributed assets																	-
Surplus/(Deficit) after capital transfers & contributions		(48,281)	(5,638)	173,544	(45,045)	(53,521)	(8,804)										111,696

References

1 Departmental columns to be based on municipal organisation structure

NW371 Moretele - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

W771 Moretele - Supporting Table G43 Supporting detail to Budgeted Financial Position										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
ASSETS										
Call investment deposits										
Call deposits < 90 days										
Other current investments > 90 days		3	-	-	-	-	-	-	-	-
Total Call investment deposits	2	3	-	-	-	-	-	-	-	-
Consumer debtors										
Consumer debtors		20,831	12,704	28,079	38,296	50,330	60,547	46,189	54,485	63,187
Less: Provision for debt impairment					(20,230)	(16,230)	(36,460)	(42,746)	(42,746)	(52,163)
Total Consumer debtors	2	20,831	12,704	28,079	18,066	34,100	24,087	3,443	11,739	11,024
Debt impairment provision										
Balance at the beginning of the year										
Contributions to the provision										
Bad debts written off					20,230	16,230	16,230			
Balance at end of year		-	-	-	20,230	16,230	16,230	-	-	-
Property, plant and equipment (PPE)										
PPE at cost/valuation (excl. finance leases)		502,486	624,428	694,149	641,135	791,737	738,723	903,397	1,018,670	1,140,167
Leases recognised as PPE										
Less: Accumulated depreciation	3	264,917	286,556	303,797	99,376	309,226	107,139	314,954	320,974	327,289
Total Property, plant and equipment (PPE)	2	237,569	337,872	390,352	541,759	482,511	631,584	588,443	697,696	812,879
LIABILITIES										
Current liabilities - Borrowing										
Short term loans (other than bank overdraft)										
Current portion of long-term liabilities		7,928	5,049	2,371						
Total Current liabilities - Borrowing		7,928	5,049	2,371	-	-	-	-	-	-
Trade and other payables										
Trade and other creditors		107,213	107,573	94,569	258,160			63,000	36,000	10,000
Unspent conditional transfers		20,272	32,237	54,665	68,710	38,000	38,000			
VAT		3,475			-					
Total Trade and other payables	2	130,960	139,810	149,234	326,870	38,000	38,000	63,000	36,000	10,000
Non current liabilities - Borrowing										
Borrowing										
Finance leases (including PPP asset element)	4	6,630	2,371			12,000	12,000	3,200	3,200	
Total Non current liabilities - Borrowing		6,630	2,371	-	-	12,000	12,000	3,200	3,200	-
Provisions - non-current										
Retirement benefits										
List other major provision items										
Refuse landfill site rehabilitation										
Other										
Total Provisions - non-current		-	-	-	-	-	-	-	-	-
CHANGES IN NET ASSETS										
Accumulated Surplus/(Deficit)										
Accumulated Surplus/(Deficit) - opening balance		298,064	33,582	33,985		51	51			
GRAP adjustments										
Restated balance		298,064	33,582	33,985	-	51	51	-	-	-
Surplus/(Deficit)		3,465	73,517	90,469	81,504	94,972	94,972	111,696	148,629	202,151
Appropriations to Reserves										
Transfers from Reserves										
Depreciation offsets					7,763	5,429	5,429	5,728	8,020	6,315
Other adjustments										
Accumulated Surplus/(Deficit)	1	301,529	107,098	124,454	89,267	100,453	100,453	117,423	156,649	208,466
Reserves										
Housing Development Fund					-					
Capital replacement		356,950	356,950	863	-					
Self-insurance										
Other reserves					273,499	646,163	646,163	570,811	723,675	905,496
Revaluation										
Total Reserves	2	356,950	356,950	863	273,499	646,163	646,163	570,811	723,675	905,496
TOTAL COMMUNITY WEALTH/EQUITY	2	658,478	464,048	125,317	362,766	746,616	746,616	688,234	880,324	1,113,962
Total capital expenditure includes expenditure on nationally significant priorities:										
Provision of basic services										

NW371 Moretele - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
R thousand													
To provide prudent financial management for sustainable institutional development and services	To enhance and maximize own revenue			159,094	188,485	215,207	11,487	9,744	9,744	11,631	10,572	10,516	
To provide prudent financial management for sustainable institutional development and services	To promote and ensure effective and efficient financial management systems						9,335	10,814	10,814	11,778	12,379	12,985	
To provide prudent financial management for sustainable institutional development and services	To maintain and records municipal assets						1,609	1,614	1,614	1,951	2,051	2,151	
To promote community development, empowerment of youth, women and disabled and access to information and services	to promote and enhance local economic development through job creation and local economic growth						5,032	7,044	7,044	12,052	12,666	13,287	
To promote and facilitate economic development planning and investment	to promote tourism development, support agriculture development						-	-	-				
To promote and facilitate economic development planning and investment	to promote tourism development, support agriculture development						-	-	-				
to promote spatial restructuring, security of tenure disaster and risk management and access to adequate housing	To promote security of tenure						1,051	975	975				
to promote institutional development stability and transformation	to develop human resource policies and strategies, end sound labour relations end management interface						44,459	39,236	36,981	31,912	33,528	33,903	
to promote institutional development stability end transformation	to improve and enhance information technology and communications						2,909	6,768	6,768	9,897	10,402	10,911	
to promote institutional development stability and transformation	To promote effective municipal resources utilization						-	-	-	-	-	-	
To promote and enhance good governance end public participation and inter governmental relations	To promote good governance and accountability												
To promote and enhance good governance and public participation and inter governmental relations	To Promote accountability and compliance as per legislative requirement						9,380	8,081	8,081	5,638	5,926	6,216	
To promote and enhance good governance and public participation and inter governmental relations	To improve customer care services that provides feed back						38,694	40,555	40,555	48,307	50,770	53,258	
To promote infrastructure investment and access to basic services	To improve access to basic water, sanitation, improved internal roads						91,890	88,258	88,258	98,954	100,848	105,789	
To promote infrastructure investment and access to basic services	To improve access to basic water, sanitation, improved internal roads			48,617	55,885	61,635	140,442	140,442	140,442	108,160	114,217	120,385	
to promote institutional development stability and transformation	to improve and enhance information technology and communications			22,442	6,778	8,086	500	500	500	3,500	1,056	1,113	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	230,153	254,248	284,928	356,789	354,033	351,778	343,780	354,414	370,515

References

1. Total revenue must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

NW371 Moretele - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Supporting Table 5: Accommodation of Strategic Objectives and Budgetary Information													
Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
R thousand													
To provide prudent financial management for sustainable institutional development and services	To enhance and maximize own revenue			226,689	180,731	194,459	11,487	9,744	9,744	11,631	10,672	10,516	
To provide prudent financial management for sustainable institutional development and services	To promote and ensure effective and efficient financial management systems						11,919	13,273	13,273	11,778	12,379	12,985	
To provide prudent financial management for sustainable institutional development and services	To maintain and records municipal assets						1,609	1,614	1,614	1,951	2,051	2,151	
To promote community development, empowerment of youth, women and disabled and access to information and services	to promote and enhance local economic development through job creation and local economic growth						5,032	7,044	7,044	12,052	12,666	13,287	
To promote and facilitate economic development planning and investment	to promote tourism development,support agriculture development												
To promote and facilitate economic development planning and investment	to promote tourism development,support agriculture development						-	-	-				
to promote spatial restructuring ,security of tenure disaster and risk management and access to adequate housing	To promote security of tenure						-	-	-				
to promote institutional development stability and transformation	to develop human resource policies and strategies, and sound labour relations and management interface						44,469	39,236	36,981	31,912	33,528	33,903	
to promote institutional development stability and transformation	to improve and enhance information technology and communications						2,909	6,768	6,768	9,897	10,402	10,911	
to promote institutional development stability and transformation	To promote effective municipal resources uterlization						-	-	-	-	-	-	
To promote and enhance good governance and public participation and inter governmental relations	To promote good governance and accountability												
To promote and enhance good governance and public participation and inter governmental relations	To Promote accountability and colpliance as per legislative requirement						9,380	8,081	8,081	5,638	5,926	6,216	
To promote and enhance good governance and public participation and inter governmental relations	To improve customer care services that provides feed back						38,694	40,555	40,555	48,307	50,770	53,258	
To promote infrastructure investment and access to basic services	To improve access to basic water,sanitation ,improved internal roads						91,890	88,258	88,258	98,964	100,848	105,789	
Allocations to other priorities													
Total Expenditure				1	226,689	180,731	194,459	217,380	214,575	212,320	232,120	239,141	249,017

References

1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

W371 Moretele - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
to promote infrastructure investment and access to basic services	To improve access to basic water, sanitation, improved internal roads	A		48,617	58,985	61,635	140,442	140,442	140,442	108,160	114,217	120,38
to promote institutional development, stability and transformation	to improve and enhance information technology and communications	B		22,442	6,778	8,086	500	500	500	3,500	1,056	1,11
		C										
		D										
		E										
		F										
		G										
		H										
		I										
		J										
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	71,059	65,763	69,721	140,942	140,942	140,942	111,660	115,273	121,49

References

1. Total capital expenditure must reconcile to Budgeted Capital Expenditure

2. Goal code must be used on Table SA36

IW371 Moretele - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Vote 1 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 2 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 3 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
And so on for the rest of the Votes										

Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3)(b))

Include all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities

Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

IW371 Moretele - Entities measureable performance objectives

Description	Unit of measurement	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Entity 1 - (name of entity)										
Insert measure/s description										
Entity 2 - (name of entity)										
Insert measure/s description										
Entity 3 - (name of entity)										
Insert measure/s description										
And so on for the rest of the Entities										

Include a measurable performance objective as agreed with the parent municipality (MFMA s87(5)(d))

Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

NW371 Moretele - Supporting Table SA8 Performance indicators and benchmarks

		WS71 Moretele - Supporting Table SA6 Performance indicators and benchmarks								
Description of financial indicator	Basis of calculation	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Borrowing Management</u>										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.2%	1.6%	0.3%	2.3%	1.4%	1.4%	0.1%	0.1%	0.1%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	22.2%	10.3%	2.2%	12.3%	6.7%	6.7%	0.3%	0.3%	0.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	106.3%	110.0%	0.0%	2400.6%	2400.6%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>										
Gearing	Long Term Borrowing/ Funds & Reserves	1.9%	0.7%	0.0%	0.0%	1.9%	1.9%	0.6%	0.4%	0.0%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	0.5	0.4	0.4	0.2	1.9	1.7	0.8	2.8	18.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.5	0.4	0.4	0.2	1.9	1.7	0.8	2.8	18.4
Liquidity Ratio	Monetary Assets/Current Liabilities	0.2	0.3	0.2	0.1	1.0	1.0	0.8	2.4	17.3
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	60.5%	77.6%	95.1%	58.1%	0.0%	66.5%	66.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			0.0%	60.5%	77.6%	95.1%	58.1%	0.0%	66.5%	66.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	21.0%	10.6%	17.9%	8.5%	16.1%	11.4%	1.5%	4.3%	3.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old									
<u>Creditors Management</u>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))									
Creditors to Cash and Investments		-1694.1%	-1048.7%	270.1%	-1174.6%	0.0%	0.0%	129.5%	41.0%	5.8%
<u>Other Indicators</u>										
Electricity Distribution Losses (2)	Total Volume Losses (kW)									
	Total Cost of Losses (Rand '000)									
	Total Volume Losses (kℓ)									
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)									
Employee costs	Employee costs/(Total Revenue - capital revenue)	17.1%	14.5%	19.0%	25.4%	23.2%	23.2%	26.4%	23.9%	20.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	23.4%	20.0%	25.9%	29.5%	30.2%	30.2%	32.9%	29.8%	25.9%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	2.7%	0.0%	3.0%	2.8%	2.8%	4.0%	2.5%	2.1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	64.5%	9.4%	9.0%	5.6%	3.9%	3.9%	2.5%	2.3%	2.0%
<u>IDP regulation financial viability indicators</u>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	21.0	4.6	2.5	3.1	3.1	3.1	4.3	4.3	4.5
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	245.5%	128.8%	171.2%	58.3%	104.9%	74.1%	9.5%	30.9%	27.6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(0.8)	(0.9)	2.9	(1.5)	3.1	3.1	3.3	5.7	10.7

References

1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

NW371 Moretele Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Funding measures											
Cash/cash equivalents at the year end - R'000	18(1)b	1	(6,329)	(10,258)	35,013	(21,980)	43,037	43,037	48,635	87,825	173,332
Cash + investments at the yr end less applications - R'000	18(1)b	2	(100,706)	(87,030)	(89,269)	(269,137)	22,352	16,536	(12,077)	59,627	170,659
Cash year end/monthly employee/supplier payments	18(1)b	3	(0.8)	(0.9)	2.9	(1.5)	3.1	3.1	3.3	5.7	10.7
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	3,465	73,517	90,469	89,267	100,402	100,402	117,423	156,649	208,466
Service charge rev % change - macro CPI-X target exclusive	18(1)a,(2)	5	N.A.	12.1%	14.7%	42.6%	(1.2%)	(6.0%)	4.5%	(0.9%)	(1.1%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.0%	60.5%	77.6%	95.1%	58.1%	58.1%	66.5%	66.5%	66.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	38.3%	204.3%	97.5%	40.7%	23.3%	23.3%	24.8%	24.8%	24.8%
Capital payments % of capital expenditure	18(1)c;19	8	89.3%	85.1%	86.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	106.3%	116.0%	0.0%	2400.6%	2400.6%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10							0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(38.0%)	60.3%	(49.4%)	88.8%	(29.4%)	(89.9%)	241.0%	(6.1%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	1.7%	0.0%	1.2%	1.2%	0.9%	1.6%	1.0%	0.9%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

References

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) from cash balances
3. Indicative of sufficient liquidity to meet average monthly operating payments
4. Indicative of funded operational requirements
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Realistic average cash collection forecasts as % of annual billed revenue
7. Realistic average increase in debt impairment (doubtful debt) provision
8. Indicative of planned capital expenditure level & cash payment timing
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing
10. Substantiation of National/Province allocations included in budget
11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

NW371 Moretele - Supporting Table SA11 Property rates summary

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Valuation:	1									
Date of valuation:										
Financial year valuation used										
Municipal by-laws s6 in place? (Y/N)	2		YES	YES	YES			YES		
Municipal/assistant valuer appointed? (Y/N)			YES	YES	YES			YES		
Municipal partnership s36 used? (Y/N)										
No. of assistant valuers (FTE)	3		2	2	2	2	2	2		
No. of data collectors (FTE)	3		6	6	6	6	6	6		
No. of internal valuers (FTE)	3		-	-	-	-	-	-		
No. of external valuers (FTE)	3		2	2	2	2	2	2		
No. of additional valuers (FTE)	4		-	-	-	-	-	-		
Valuation appeal board established? (Y/N)			YES	YES	YES			YES		
Implementation time of new valuation roll (mths)			36	36	36			36		
No. of properties	5		37,397	37,397	37,397	-	-	37,397		
No. of sectional title values	5		-	-	-	-	-	-		
No. of unreasonably difficult properties s7(2)			1	1	1	1	1	1		
No. of supplementary valuations			3	3	3	3	3	3		
No. of valuation roll amendments			3	3	3	3	3	3		
No. of objections by rate payers			1	1	1	1	1	1		
No. of appeals by rate payers			-	-	-	-	-	-		
No. of successful objections	8		-	-	-	-	-	-		
No. of successful objections > 10%	8		-	-	-	-	-	-		
Supplementary valuation			-	-	-	-	-	-		
Public service infrastructure value (Rm)	5		-	-	-	-	-	-		
Municipality owned property value (Rm)			36	36	36	36	36	36		
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)			-	-	-	-	-	-		
Valuation reductions-nature reserves/park (Rm)			-	-	-	-	-	-		
Valuation reductions-mineral rights (Rm)			-	-	-	-	-	-		
Valuation reductions-R15,000 threshold (Rm)			0	0	0	0	0	0		
Valuation reductions-public worship (Rm)			-	-	-	-	-	-		
Valuation reductions-other (Rm)			0	0	0	0	0	0		
Total valuation reductions:			0	0	0	0	0	0		
Total value used for rating (Rm)	5									
Total land value (Rm)	5		429	429	429	429	429	449		
Total value of improvements (Rm)	5		429	429	429	429	429	429		
Total market value (Rm)	5		429	429	429	429	429	429		
Rating:										
Residential rate used to determine rate for other categories? (Y/N)			NO	NO	NO			NO		
Differential rates used? (Y/N)	5		YES	YES	YES			YES		
Limit on annual rate increase (s20)? (Y/N)			NO	NO	NO			NO		
Special rating area used? (Y/N)			NO	NO	NO			NO		
Phasing-in properties s21 (number)			20	20	20			20		
Rates policy accompanying budget? (Y/N)			YES	YES	YES			YES		
Fixed amount minimum value (R'000)			15	15	15			15		
Non-residential prescribed ratio s19? (%)			15.0%	15.0%	15.0%			15.0%		
Rate revenue:										
Rate revenue budget (R'000)	6		2,888	2,888	2,888	2,888	2,888	2,888		
Rate revenue expected to collect (R'000)	6		2,461	2,461	2,461	2,461	2,461	2,461		
Expected cash collection rate (%)			85.2%	85.2%	85.2%	85.2%	85.2%	85.2%		
Special rating areas (R'000)	7		-	-	-	-	-	-		
Rebates, exemptions - indigent (R'000)			-	-	-	-	-	-		
Rebates, exemptions - pensioners (R'000)			-	-	-	-	-	-		
Rebates, exemptions - bona fide farm. (R'000)			-	-	-	-	-	-		
Rebates, exemptions - other (R'000)			-	-	-	-	-	-		
Phase-in reductions/discounts (R'000)			427	427	427	427	427	427		
Total rebates, exemptions, reductions, discounts (R'000)			427	427	427	427	427	427		

References

1. All numbers to be expressed as whole numbers except FTEs and Rates in the Rand
2. To give effect to rates policy
3. Full Time Equivalent (FTE) should be expressed to one decimal place and takes into account full time and part time staff
4. Required to implement new system (FTE)
5. Provide relevant information for historical comparisons. Must reconcile to the total of Table SA12
6. Current and budget year must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)
7. Included in rate revenue budget
8. In favour of the rate-payer

NW371 Moretele - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(a) (note 1)	Protect. Areas	National Monuments	Public benefit organs.	Mining Props.
Current Year 2012/13																	
Valuation:																	
No. of properties		356 570		744	20	24	1	35	-	-	2	-	-	-	1	-	-
No. of sectional title property values		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations		3	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplementary valuation (R/m)																	
No. of valuation roll amendments		1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of objections by rate-payers		1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers finalised		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated no. of properties not valued		36															
Years since last valuation (select)		1															
Frequency of valuation (select)		<4															
Method of valuation used (select)		Market															
Base of valuation (select)		Land & impr.															
Placing in properties s21 (number)		20															
Combination of rating types used? (Y/N)		Yes															
Fair rate used? (Y/N)		No															
Is balance rated by uniform rate/variable rate?		Variable															
Valuation reductions:																	
Valuation reductions-public infrastructure (R/m)		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-reduce reserves/park (R/m)		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (R/m)		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15 000 threshold (R/m)	0	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (R/m)		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-other (R/m)		0		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total valuation reductions:	2																
Total value used for rating (R/m)	6	329	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total land value (R/m)	6	329	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total value of improvements (R/m)	6	329	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total market value (R/m)	6	329	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rating:																	
Average rate	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate revenue budget (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate revenue expected to collect (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expected cash collection rate (%)	4	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Special rating areas (R'000)		-															
Rebates, exemptions - indigent (R'000)		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm (R'000)		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phase-in reductions/discourts (R'000)		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total rebates, exemptions, discounts, discs (R'000)																	

References

- 1 Land & Assistance Act, Realisation of Land Rights, Communal Property Associations
- 2 Include value of additional reductions is 'Yes' value greater than MPRA minimum.
- 3 Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum
- 4 Include arrears collections
- 5 In favour of the rate payer
- 6 Provide relevant information for historical comparisons

NW371 Moretele - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monuments	Public benefit organs.	Mining Props.
Budget Year 2013/14																	
Valuation:																	
No. of properties																	
No. of sectional title property values																	
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations																	
Supplementary valuation (Rm)																	
No. of valuation roll amendments																	
No. of objections by rate-payers																	
No. of appeals by rate-payers																	
No. of appeals by rate-payers finalised																	
No. of successful objections	5																
No. of successful objections > 10%	5																
Estimated no. of properties not valued																	
Years since last valuation (select)																	
Frequency of valuation (select)																	
Method of valuation used (select)																	
Base of valuation (select)																	
Pressing-in properties s21 (number)																	
Combination of rating types used? (Y/N)																	
Flat rate used? (Y/N)																	
Is balance rated by uniform rate/variable rate?																	
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)																	
Valuation reductions-nature reserves/park (Rm)																	
Valuation reductions-mineral rights (Rm)																	
Valuation reductions-R15 000 threshold (Rm)																	
Valuation reductions-public worship (Rm)																	
Valuation reductions-other (Rm)																	
Total valuation reductions:	2																
Total value used for rating (Rm)	6																
Total land value (Rm)	6																
Total value of improvements (Rm)	6																
Total market value (Rm)	6																
Rating:																	
Average rate	3																
Rate revenue budget (R '000)																	
Rate revenue expected to collect (R'000)																	
Expected cash collection rate (%)	4																
Special rating areas (R'000)																	
Rebates, exemptions - indigent (R'000)																	
Rebates, exemptions - pensioners (R'000)																	
Rebates, exemptions - bona fide farm (R'000)																	
Rebates, exemptions - other (R'000)																	
Phase-in reductions/discourts (R'000)																	
Total rebates,exemptions,discounts,discounts (R'000)																	

References:

- 1 Land & Assistance Act, Restriction of Land Rights, Communal Property Associations
- 2 Include value of additional reductions is 'free' value greater than MFRA minimum.
3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026 expressed to 6 decimal places maximum
4. Include areas collections
5. In favour of the rate payer
- 6 Provide relevant information for historical comparisons

NW371 Moretele - Supporting Table SA13a Service Tariffs by category

[illegible]

Volumetric charge - Block 1 (c/d)

```

: (fill in structure)
: (fill in structure)
: (fill in structure)

```

Keywords: child sexual abuse; disclosure; social support

(a) (b) (c)

000

and

NW371 Moretele - Supporting Table SA13b Service Tariffs by category - explanatory

[illegible]

NW371 Moretele - Supporting Table SA14 Household bills

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14 % incr.	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services											
Total large household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease			-	-	-	-	-		-	-	-
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services											
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease			-	-	-	-	-		-	-	-
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services											
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease			-	-	-	-	-		-	-	-

References

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water

2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water

3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

NW371 Moretele - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	-	-	-	-	-	-

References

1. Total investments must reconcile to Budgeted Financial Position ('current' call investment deposits plus 'non-current' investments)

NW371 Moretele - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised
	1	Yrs/Months								Rand thousand	
Parent municipality											
Municipality sub-total										-	-
Entities											
Entities sub-total										-	-
TOTAL INVESTMENTS AND INTEREST										-	-

References
1. Total investments must reconcile to all items in Table SA15 for the Current Year (30 June)
2. List investments in expiry date order

NW371 Moretele - Supporting Table SA17 Borrowing

NW371 Moretele - Supporting Table SA1 Borrowing

Borrowing - Categorised by type	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	-	-	-	-	-	-	-	-	-

Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

References

1. Total borrowing must reconcile to Budgeted Financial Position (Borrowing - non-current)

NW371 Moretele - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		98,795	125,091	149,782	170,635	170,635	170,635	187,895	222,674	277,412
Local Government Equitable Share		90,015	115,673	138,282	155,654	155,654	155,654	177,267	210,187	264,075
Municipal Systems Improvement		1,300	1,000	1,000	800	800	800	890	934	967
Finance Management		750	1,000	1,250	1,500	1,500	1,500	1,550	1,600	1,650
Water Services Operating Subsidy		6,540	4,578	3,205	7,705	7,705	7,705	3,000	4,500	5,000
EPWP Incentive				1,759	2,169	2,169	2,169	1,175	1,235	1,295
Other transfers/grants [MIG Operations]		190	2,840	4,286	2,807	2,807	2,807	4,013	4,218	4,424
Provincial Government:		-	-	1,350	650	650	650	-	683	717
Sport and Recreation				1,350	350	350	350	-	368	386
fire and emergency aid					300	300	300	-	315	331
District Municipality:		-	-	1,000	-	-	-	-	-	-
[insert description]				1,000	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	98,795	125,091	152,132	171,285	171,285	171,285	187,895	223,357	278,128
Capital Transfers and Grants										
National Government:		-	71,266	81,324	101,168	101,168	101,168	94,160	99,607	105,899
			71,266	81,324	101,168	101,168	101,168	94,160	99,607	105,899
Other capital transfers/grants [insert desc]				-						
Provincial Government:		-	10,000	5,000	-	-	-	14,000	-	-
Other capital transfers/grants [insert description]			10,000	5,000				14,000	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	-	81,266	86,324	101,168	101,188	101,168	108,180	99,607	105,899
TOTAL RECEIPTS OF TRANSFERS & GRANTS		98,795	206,357	238,456	272,453	272,453	272,453	296,055	322,964	384,027

References

- Each transfer/grant is listed by name as gazetted together with the name of the transferring department or municipality, donor or other organisation
- Amounts actually RECEIVED; not revenue recognised (objective is to confirm grants transferred)
- Replacement of RSC levies
- Housing subsidies for housing where ownership transferred to organisations or persons outside the control of the municipality
- Total transfers and grants must reconcile to Budgeted Cash Flows
- Motor vehicle licensing refunds to be included under 'agency' services (Not Grant Receipts)

NW371 Moretele - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		98,795	125,091	149,782	170,635	170,635	170,635	187,895	222,674	277,412
Local Government Equilable Share		90,015	115,673	138,282	155,654	155,654	155,654	177,267	210,187	264,075
Municipal Systems Improvement		1,300	1,000	1,000	800	800	800	890	934	967
Finance Management		750	1,000	1,250	1,500	1,500	1,500	1,550	1,600	1,650
Water Services Operating Subsidy		6,540	4,578	3,205	7,705	7,705	7,705	3,000	4,500	5,000
EPWP Incentive				1,759	2,169	2,169	2,169	1,175	1,235	1,295
Other transfers/grants [MIG Operations]		190	2,840	4,286	2,807	2,807	2,807	4,013	4,218	4,424
Provincial Government:		-	-	1,350	850	650	650	-	883	717
Sport and Recreation				1,350	350	350	350	-	368	386
fire and emergency aid					300	300	300	-	315	331
District Municipality:		-	-	1,000	-	-	-	-	-	-
[insert description]				1,000	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants:		98,795	125,091	152,132	171,285	171,285	171,285	187,895	223,357	278,128
Capital expenditure of Transfers and Grants										
National Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		98,795	125,091	152,132	171,285	171,285	171,285	187,895	223,357	278,128

References

1. Expenditure must be separately listed for each transfer or grant received or recognised

VW371 Moretele - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
1 thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts			125,091	149,782	170,635	170,635	170,635	187,895	222,674	277,411
Conditions met - transferred to revenue		-	125,091	149,782	170,635	170,635	170,635	187,895	222,674	277,411
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		-		1,350	650	650	650	-	683	711
Conditions met - transferred to revenue		-	-	1,350	650	650	650	-	683	711
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts				1,000						
Conditions met - transferred to revenue		-	-	1,000	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		-	125,091	152,132	171,285	171,285	171,285	187,895	223,357	278,121
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		98,795	71,266	81,324	101,168	101,168	101,168	94,160	99,607	105,891
Conditions met - transferred to revenue		98,795	71,266	81,324	101,168	101,168	101,168	94,160	99,607	105,891
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts			10,000	5,000				14,000		
Conditions met - transferred to revenue		-	10,000	5,000	-	-	-	14,000	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		98,795	81,266	86,324	101,168	101,168	101,168	108,160	99,607	105,891
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		98,795	206,357	238,456	272,453	272,453	272,453	296,055	322,964	384,012
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

References

¹ Total capital transfers and grants revenue must reconcile to Budgeted Financial Performance and Financial Position; total recurrent grants revenue must reconcile to Budgeted Financial Performance

² CTBM = conditions to be met

³ National Treasury database will require this reconciliation for each transfer/grant

NW371 Moretele - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
<u>Cash Transfers to other municipalities</u> <i>Insert description</i>	1									
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-
<u>Cash Transfers to Entities/Other External Mechanisms</u> <i>Insert description</i>	2									
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-
<u>Cash Transfers to other Organs of State</u> <i>Insert description</i>	3									
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-
<u>Cash Transfers to Organisations</u> <i>Insert description</i>	4									
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-
<u>Cash Transfers to Groups of Individuals</u> <i>Insert description</i>	5									
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	-	-	-	-	-	-	-	-	-
<u>Non-Cash Transfers to other municipalities</u> <i>Insert description</i>	1									
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-
<u>Non-Cash Transfers to Entities/Other External Mechanisms</u> <i>Insert description</i>	2									
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-
<u>Non-Cash Transfers to other Organs of State</u> <i>Insert description</i>	3									
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-
<u>Non-Cash Grants to Organisations</u> <i>Insert description</i>	4									
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-
<u>Groups of Individuals</u> <i>Insert description</i>	5									
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	-	-	-	-	-	-	-	-	-

References

1. Insert description listed by municipal name and demarcation code of recipient
2. Insert description of each entity or external mechanism (an external mechanism may be provided with resources to ensure a minimum level of service)
3. Insert description of each Organ of State (e.g. transfer to electricity provider to compensate for FBS provided)
4. Insert description of each other organisation (e.g. charity)
5. Insert description of each other organisation (e.g. the aged, child-headed households)
6. All descriptions should separate transfers for 'capital purposes' and 'operating purposes'

NW371 Moretele - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration		2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
Ref		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
1	Councillors (Political Office Bearers plus Other)									
	Basic Salaries and Wages	10,768	11,482	13,837	10,112	10,232	10,232	10,764	11,313	11,507
	Pension and UIF Contributions	-	-	-	-	-	-	-	-	-
	Medical Aid Contributions	-	-	-	-	-	-	-	-	-
	Motor Vehicle Allowance	-	-	-	3,395	3,386	3,395	3,800	3,526	3,089
	Cellphone Allowance	-	-	-	782	1,092	1,092	1,133	1,191	1,249
	Housing Allowances	-	-	-	-	-	-	-	-	-
	Other benefits and allowances	-	-	-	-	130	130	108	113	119
	Sub Total - Councillors	10,768	11,482	13,837	14,299	15,840	14,849	15,705	16,142	16,932
4	% increase		6.6%	20.5%	3.3%	3.8%	-	3.4%	5.1%	4.9%
2	Senior Managers of the Municipality									
	Basic Salaries and Wages	-	-	-	5,163	5,163	5,163	10,567	11,201	11,873
	Pension and UIF Contributions	-	-	-	-	-	-	-	-	-
	Medical Aid Contributions	-	-	-	-	-	-	-	-	-
	Overtime	-	-	-	-	-	-	-	-	-
	Performance Bonus	-	-	-	-	-	-	851	933	989
	Motor Vehicle Allowance	-	-	-	-	-	-	-	-	-
	Cellphone Allowance	-	-	-	-	-	-	-	-	-
	Housing Allowances	-	-	-	-	-	-	-	-	-
	Other benefits and allowances	-	-	-	-	-	-	-	-	-
	Payments in lieu of leave	-	-	-	-	-	-	-	-	-
	Long service awards	-	-	-	-	-	-	-	-	-
	Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
	Sub Total - Senior Managers of Municipality	-	-	-	5,163	5,163	5,163	11,448	12,134	12,863
4	% increase				-	-	-	121.7%	6.0%	6.0%
	Other Municipal Staff									
	Basic Salaries and Wages	29,248	30,477	37,944	28,834	27,783	27,783	30,042	31,471	32,880
	Pension and UIF Contributions	-	-	-	6,180	5,611	5,611	7,717	8,110	8,908
	Medical Aid Contributions	-	-	-	2,876	2,868	2,856	2,804	2,947	3,091
	Overtime	-	-	-	1,028	1,344	1,344	685	716	753
	Performance Bonus	-	-	-	2,183	-	-	3,242	3,407	3,574
	Motor Vehicle Allowance	-	-	-	2,793	4,704	4,704	4,254	4,481	4,701
	Cellphone Allowance	-	-	-	480	670	670	630	683	716
	Housing Allowances	-	-	-	180	251	251	289	219	230
	Other benefits and allowances	-	-	-	554	680	680	1,151	1,209	1,269
	Payments in lieu of leave	-	-	-	-	-	-	-	-	-
	Long service awards	-	-	-	-	-	-	-	-	-
	Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
	Sub Total - Other Municipal Staff	29,248	30,477	37,944	43,280	43,131	43,331	50,760	53,248	56,721
4	% increase		3.8%	24.5%	14.1%	1.9%	-	15.9%	4.9%	4.6%
	Total Parent Municipality	40,114	41,960	51,781	62,743	63,943	63,943	77,567	81,522	85,517
			4.6%	23.4%	21.2%	1.9%	-	21.3%	5.1%	4.9%
	Board Members of Entities									
	Basic Salaries and Wages	-	-	-	-	-	-	-	-	-
	Pension and UIF Contributions	-	-	-	-	-	-	-	-	-
	Medical Aid Contributions	-	-	-	-	-	-	-	-	-
	Overtime	-	-	-	-	-	-	-	-	-
	Performance Bonus	-	-	-	-	-	-	-	-	-
	Motor Vehicle Allowance	-	-	-	-	-	-	-	-	-
	Cellphone Allowance	-	-	-	-	-	-	-	-	-
	Housing Allowances	-	-	-	-	-	-	-	-	-
	Other benefits and allowances	-	-	-	-	-	-	-	-	-
	Board Fees	-	-	-	-	-	-	-	-	-
	Payments in lieu of leave	-	-	-	-	-	-	-	-	-
	Long service awards	-	-	-	-	-	-	-	-	-
	Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
	Sub Total - Board Members of Entities	-	-	-	-	-	-	-	-	-
4	% increase									
	Senior Managers of Entities									
	Basic Salaries and Wages	-	-	-	-	-	-	-	-	-
	Pension and UIF Contributions	-	-	-	-	-	-	-	-	-
	Medical Aid Contributions	-	-	-	-	-	-	-	-	-
	Overtime	-	-	-	-	-	-	-	-	-
	Performance Bonus	-	-	-	-	-	-	-	-	-
	Motor Vehicle Allowance	-	-	-	-	-	-	-	-	-
	Cellphone Allowance	-	-	-	-	-	-	-	-	-
	Housing Allowances	-	-	-	-	-	-	-	-	-
	Other benefits and allowances	-	-	-	-	-	-	-	-	-
	Payments in lieu of leave	-	-	-	-	-	-	-	-	-
	Long service awards	-	-	-	-	-	-	-	-	-
	Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
	Sub Total - Senior Managers of Entities	-	-	-	-	-	-	-	-	-
4	% increase									
	Other Staff of Entities									
	Basic Salaries and Wages	-	-	-	-	-	-	-	-	-
	Pension and UIF Contributions	-	-	-	-	-	-	-	-	-
	Medical Aid Contributions	-	-	-	-	-	-	-	-	-
	Overtime	-	-	-	-	-	-	-	-	-
	Performance Bonus	-	-	-	-	-	-	-	-	-
	Motor Vehicle Allowance	-	-	-	-	-	-	-	-	-
	Cellphone Allowance	-	-	-	-	-	-	-	-	-
	Housing Allowances	-	-	-	-	-	-	-	-	-
	Other benefits and allowances	-	-	-	-	-	-	-	-	-
	Payments in lieu of leave	-	-	-	-	-	-	-	-	-
	Long service awards	-	-	-	-	-	-	-	-	-
	Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
	Sub Total - Other Staff of Entities	-	-	-	-	-	-	-	-	-
4	% increase									
	Total Municipal Entities	-	-	-	-	-	-	-	-	-
	TOTAL SALARY, ALLOWANCES & BENEFITS	40,114	41,960	51,781	62,743	63,943	63,943	77,567	81,522	85,517
4	% increase		4.6%	23.4%	21.2%	1.9%	-	21.3%	5.1%	4.9%
5.7	TOTAL MANAGERS AND STAFF	29,248	30,477	37,944	48,443	49,594	49,694	62,208	65,990	69,114

References

1. Include Leave and Advances where applicable & any reportable amounts until phased compliance with s151 of MFMA achieved

2. s57 of the Public Act

3. In kind benefits (e.g. provision of living quarters) must be shown as the cost (full market value) to the municipality, as part of the relevant allowance

4. B.A, C.B, J.C, E.C, F.C, G.D, H.D, I.D

5. Must agree to the sub-total appearing on Table A1 (Employee costs)

6. Includes pension payments and employer's contributions to medical aid

7. Correct as at 30 June

Clarifying Definitions

A, B and C: Audited actual as per the audited financial statements; If audited amounts are unavailable, unaudited amounts must be provided with a note stating these are unaudited

D: The original budget approved by council for the budget year.

E: The budget for the budget year as adjusted by council resolution in terms of section 33 of the MFMA

F: An estimate of final actual amounts (pre-audit) for the current year at the point in time of preparing the budget for the budget year. This may differ from E

G: The amounts to be appropriated for the budget year

H and I: The indicative projections

NW371 Moretele - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4							-
Chief Whip								-
Executive Mayor								-
Deputy Executive Mayor								-
Executive Committee								-
Total for all other councillors								-
Total Councillors	8	-	-	-	-	-	-	-
Senior Managers of the Municipality	5							
Municipal Manager (MM)			971,214	-		80,934.50		1,052,149
Chief Finance Officer			924,125	-		77,010.42		1,001,135
Director-LED			795,790	-		66,315.86		862,106
Director-Corporate & Human Resource			795,790	-		66,315.86		862,106
Director-Social Services			795,790	-		66,315.86		862,106
Deputy Chief Financial Officer			795,790	-		66,315.86		862,106
<i>List of each official with packages >= senior manager</i>								
Senior Manager - Revenue			586,594			48,883		635,477
Senior Manager - Budget & Expenditure			586,594			48,883		635,477
Senior Manager - SCM			586,594			48,883		635,477
Senior Manager - Mayor's Office			586,594			48,883		635,477
Manager - Internal Audit			586,594			48,883		635,477
Manager - PMU			586,594			48,883		635,477
Manager - Security Services			586,594			48,883		635,477
Manager Legal Services			586,594			48,883		635,477
Director Technical Services			795,790			66,315		862,105
								-
								-
								-
Total Senior Managers of the Municipality	8,10	-	10,567,043	-	-	880,586		11,447,629
A Heading for Each Entity	6,7							
List each member of board by designation								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total for municipal entities	8,10	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	10,567,043	-	-	880,586		11,447,629

References

1. Pension and medical aid
2. Total package must equal the total cost to the municipality
3. List each political office bearer by designation. Provide a total for all other councillors
4. Political office bearer is defined in MFMA s 1: speaker, executive mayor, deputy executive mayor, member of executive committee, mayor, deputy mayor, member of mayoral committee, the councillor designated to exercise powers and duties of mayor (MSA s 57)
5. Also list each senior manager reporting to MM by designation and each official with package >= senior manager by designation
6. List each entity where municipality has an interest and state percentage ownership and control
7. List each senior manager reporting to the CEO of an Entity by designation
8. Must reconcile to relevant section of Table SA24
9. Must reconcile to totals shown for the budget year of Table SA22
10. Correct as at 30 June

NW371 Moretele - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		2011/12			Current Year 2012/13			Budget Year 2013/14		
Number	Ref	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		47		47	55	-	55	55	-	55
Board Members of municipal entities	4	-			-	-	-	-	-	-
Municipal employees	5	141	141		107	107	-	138	138	-
Municipal Manager and Senior Managers	3	6		6	5	-	5	5	-	5
Other Managers	7	12		12	23	17	6	28	18	10
Professionals		-	-	-	14	10	4	16	11	5
Finance					9	5	4	11	6	5
Spatial/town planning					-	-	-	-	-	-
Information Technology					3	3	-	3	3	-
Roads					1	1	-	1	1	-
Electricity					-	-	-	-	-	-
Water					-	-	-	-	-	-
Sanitation					-	-	-	-	-	-
Refuse					-	-	-	-	-	-
Other					1	1	-	1	1	-
Technicians		-	-	-	2	1	1	7	5	2
Finance					1	-	1	-	-	-
Spatial/town planning					-	-	-	1	1	-
Information Technology					-	-	-	-	-	-
Roads					-	-	-	1	1	-
Electricity					-	-	-	-	-	-
Water					-	-	-	1	1	-
Sanitation					-	-	-	2	2	-
Refuse					-	-	-	-	-	-
Other					1	1	-	2	-	2
Clerks (Clerical and administrative)					3	3	-	3	3	-
Service and sales workers					-	-	-	-	-	-
Skilled agricultural and fishery workers					-	-	-	-	-	-
Craft and related trades					-	-	-	-	-	-
Plant and Machine Operators					10	10	-	17	17	-
Elementary Occupations					-	-	-	-	-	-
TOTAL PERSONNEL NUMBERS	9	206	141	65	219	148	71	269	192	77
% increase					6.3%	5.0%	9.2%	22.8%	29.7%	8.5%
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

References

1. Positions must be funded and aligned to the municipality's current organisational structure
2. Full Time Equivalent (FTE), E.g. One full time person = 1FTE. A person working half time (say 4 hours out of 8) = 0.5FTE.
3. s57 of the Systems Act
4. Include only in Consolidated Statements
5. Include municipal entity employees in Consolidated Statements
6. Include headcount (number to persons. Not FTE) of managers and staff only (exclude councillors)
7. Managers who provide the direction of a critical technical function
8. Total number of employees working on these functions

NW371 Moretele - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																
Revenue By Source																
Property rates		613	613	613	613	613	613	613	613	613	613	613	613	7,361	7,736	8,115
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		1,518	1,518	1,518	1,518	1,518	1,518	1,518	1,518	1,518	1,518	1,518	1,518	18,222	19,151	20,089
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		856	856	856	856	856	856	856	856	856	856	856	856	10,277	10,801	11,330
Service charges - other		2	-	-	-	-	-	-	-	-	-	-	-	26	27	28
Rental of facilities and equipment		26	26	26	26	26	26	26	26	26	26	26	26	307	323	339
Interest earned - external investments		472	472	472	472	472	472	472	472	472	472	472	472	5,663	5,952	6,244
Interest earned - outstanding debtors		415	415	415	415	415	415	415	415	415	415	415	415	4,983	5,237	5,494
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		81,402	334	334	334	58,633	334	334	44,651	334	334	334	334	187,895	223,357	278,128
Other revenue		77	77	77	77	77	77	77	77	77	77	77	77	922	969	1,016
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		85,382	4,312	4,312	4,312	62,810	4,312	4,312	48,629	4,312	4,312	4,312	4,336	235,655	273,553	330,784
Expenditure By Type																
Employee related costs		5,184	5,184	5,184	5,184	5,184	5,184	5,184	5,184	5,184	5,184	5,184	5,184	62,208	65,380	67,315
Remuneration of councillors		1,280	1,280	1,280	1,280	1,280	1,280	1,280	1,280	1,280	1,280	1,280	1,280	15,359	16,142	16,933
Debt impairment		747	747	747	747	747	747	747	747	747	747	747	747	8,960	9,417	9,878
Depreciation & asset impairment		477	477	477	477	477	477	477	477	477	477	477	477	5,728	6,020	6,315
Finance charges		13	13	13	13	13	13	13	13	13	13	13	13	157	165	173
Bulk purchases		3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000	47,295	49,612
Other materials		783	783	783	783	783	783	783	783	783	783	783	783	9,394	9,709	10,024
Contracted services		1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	15,963	16,777	17,599
Transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		5,779	6,526	6,526	6,526	6,526	6,526	6,526	6,526	6,526	6,526	6,526	6,526	69,352	71,236	74,153
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		19,343	20,090	20,090	20,090	20,090	20,090	20,090	20,090	20,090	20,090	20,090	11,877	232,120	239,141	249,017
Surplus/(Deficit)		66,038	(15,778)	(15,778)	(15,778)	42,720	(15,778)	(15,778)	28,539	(15,778)	(15,778)	(15,778)	(7,541)	3,536	34,412	81,767
Transfers recognised - capital		9,013	9,013	9,013	9,013	9,013	9,013	9,013	9,013	9,013	9,013	9,013	9,013	108,160	114,217	120,385
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		75,052	(6,764)	(6,764)	(6,764)	51,734	(6,764)	(6,764)	37,552	(6,764)	(6,764)	(6,764)	1,473	111,696	148,629	202,151
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	75,052	(6,764)	(6,764)	(6,764)	51,734	(6,764)	(6,764)	37,552	(6,764)	(6,764)	(6,764)	1,473	111,696	148,629	202,151

References

1 Surplus (Deficit) must reconcile with Budgeted Financial Performance

NW371 Moretele - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																
Revenue by Vote																
Vote 1 - EXECUTIVE AND MAYOR																
Vote 2 - MUNICIPAL MANAGER																
Vote 3 - BUDGET AND TREASURY OFFICE																
Vote 4 - HUMAN RESOURCE AND CORPORATE SERVICES													198 833	198 833	232 822	287 778
Vote 5 - TECHNICAL SERVICES																
Vote 6 - COMMUNITY DEVELOPMENT SERVICES																
Vote 7 - [NAME OF VOTE 7]																
Vote 8 - [NAME OF VOTE 8]																
Vote 9 - [NAME OF VOTE 9]																
Vote 10 - [NAME OF VOTE 10]																
Vote 11 - [NAME OF VOTE 11]																
Vote 12 - [NAME OF VOTE 12]																
Vote 13 - [NAME OF VOTE 13]																
Vote 14 - [NAME OF VOTE 14]																
Vote 15 - [NAME OF VOTE 15]																
Total Revenue by Vote		-	-	-	-	-	-	-	-	-	-	-	198 833	198 833	232 822	287 778
Expenditure by Vote to be appropriated																
Vote 1 - EXECUTIVE AND MAYOR																
Vote 2 - MUNICIPAL MANAGER																
Vote 3 - BUDGET AND TREASURY OFFICE																
Vote 4 - HUMAN RESOURCE AND CORPORATE SERVICES																
Vote 5 - TECHNICAL SERVICES																
Vote 6 - COMMUNITY DEVELOPMENT SERVICES																
Vote 7 - [NAME OF VOTE 7]																
Vote 8 - [NAME OF VOTE 8]																
Vote 9 - [NAME OF VOTE 9]																
Vote 10 - [NAME OF VOTE 10]																
Vote 11 - [NAME OF VOTE 11]																
Vote 12 - [NAME OF VOTE 12]																
Vote 13 - [NAME OF VOTE 13]																
Vote 14 - [NAME OF VOTE 14]																
Vote 15 - [NAME OF VOTE 15]																
Total Expenditure by Vote		-	-	-	-	-	-	-	-	-	-	-	232 109	232 109	239 141	250 286
Surplus/(Deficit) before assoc.		-	-	-	-	-	-	-	-	-	-	-	(33 277)	(33 277)	(6 319)	37 493
Taxation																
Attributable to minorities																
Share of surplus/ (deficit) of associate																
Surplus/(Deficit)	1	-	-	-	-	-	-	-	-	-	-	-	(33 277)	(33 277)	(6 319)	37 493

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

NW371 Moretele - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard																
<i>Governance and administration</i>																
Executive and council		78,496	1,604	1,604	1,604	60,102	1,604	1,604	45,921	1,604	1,604	1,604	1,604	198,956	232,925	287,886
Budget and treasury office		4	4	4	4	4	4	4	4	4	4	4	4	52	27	28
Corporate services		78,492	1,600	1,600	1,600	60,098	1,600	1,600	45,917	1,600	1,600	1,600	1,600	198,905	232,898	287,857
<i>Community and public safety</i>																
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	710	745
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	710	745
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>																
Planning and development		12,072	12,072	12,072	12,072	12,072	12,072	12,072	12,072	12,072	12,072	12,072	12,072	144,859	154,134	162,538
Road transport		12,072	12,072	12,072	12,072	12,072	12,072	12,072	12,072	12,072	12,072	12,072	12,072	144,859	154,134	162,538
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>																
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>																
Total Revenue - Standard		90,568	13,676	13,676	13,676	72,174	13,676	13,676	57,992	13,676	13,676	13,676	13,676	343,815	387,770	451,169
Expenditure - Standard																
<i>Governance and administration</i>																
Executive and council		8,211	8,211	8,211	8,211	8,211	8,211	8,211	8,211	8,211	8,211	8,211	8,211	98,526	101,898	106,318
Budget and treasury office		4,177	4,177	4,177	4,177	4,177	4,177	4,177	4,177	4,177	4,177	4,177	4,177	50,130	52,686	55,268
Corporate services		898	898	898	898	898	898	898	898	898	898	898	898	10,773	9,669	9,570
Corporate services		3,135	3,135	3,135	3,135	3,135	3,135	3,135	3,135	3,135	3,135	3,135	3,135	37,624	39,542	41,480
<i>Community and public safety</i>																
Community and social services		734	734	734	734	734	734	734	734	734	734	734	734	8,804	9,253	9,707
Sport and recreation		734	734	734	734	734	734	734	734	734	734	734	734	8,804	9,253	9,707
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>																
Planning and development		8,246	8,246	8,246	8,246	8,246	8,246	8,246	8,246	8,246	8,246	8,246	8,246	98,954	100,848	105,789
Road transport		8,246	8,246	8,246	8,246	8,246	8,246	8,246	8,246	8,246	8,246	8,246	8,246	98,954	100,848	105,789
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>																
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>																
Total Expenditure - Standard		17,190	17,190	17,190	17,190	17,190	17,190	17,190	17,190	17,190	17,190	17,190	17,190	206,285	211,999	221,814
Surplus/(Deficit) before assoc.		73,377	(3,515)	(3,515)	(3,515)	54,983	(3,515)	(3,515)	40,802	(3,515)	(3,515)	(3,515)	(3,515)	137,531	175,770	229,355
Share of surplus/(deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	73,377	(3,515)	(3,515)	(3,515)	54,983	(3,515)	(3,515)	40,802	(3,515)	(3,515)	(3,515)	(3,515)	137,531	175,770	229,355

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

NW371 Moretele - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - EXECUTIVE AND MAYOR																
Vote 2 - MUNICIPAL MANAGER																
Vote 3 - BUDGET AND TREASURY OFFICE																
Vote 4 - HUMAN RESOURCE AND CORPORATE SERVICES																
Vote 5 - TECHNICAL SERVICES		9,013	9,013	9,013	9,013	9,013	9,013	9,013	9,013	9,013	9,013	9,013	9,013	108,160	114,217	120,385
Vote 6 - COMMUNITY DEVELOPMENT SERVICES																
Vote 7 - [NAME OF VOTE 7]																
Vote 8 - [NAME OF VOTE 8]																
Vote 9 - [NAME OF VOTE 9]																
Vote 10 - [NAME OF VOTE 10]																
Vote 11 - [NAME OF VOTE 11]																
Vote 12 - [NAME OF VOTE 12]																
Vote 13 - [NAME OF VOTE 13]																
Vote 14 - [NAME OF VOTE 14]																
Vote 15 - [NAME OF VOTE 15]																
Capital multi-year expenditure sub-total	2	9,013	9,013	9,013	9,013	9,013	9,013	9,013	9,013	9,013	9,013	9,013	9,013	108,160	114,217	120,385
Single-year expenditure to be appropriated																
Vote 1 - EXECUTIVE AND MAYOR																
Vote 2 - MUNICIPAL MANAGER																
Vote 3 - BUDGET AND TREASURY OFFICE																
Vote 4 - HUMAN RESOURCE AND CORPORATE SERVICE		83	83	83	83	83	83	83	83	83	83	83	83	1,000	1,056	1,113
Vote 5 - TECHNICAL SERVICES		208	208	208	208	208	208	208	208	208	208	208	208	2,500	-	-
Vote 6 - COMMUNITY DEVELOPMENT SERVICES																
Vote 7 - [NAME OF VOTE 7]																
Vote 8 - [NAME OF VOTE 8]																
Vote 9 - [NAME OF VOTE 9]																
Vote 10 - [NAME OF VOTE 10]																
Vote 11 - [NAME OF VOTE 11]																
Vote 12 - [NAME OF VOTE 12]																
Vote 13 - [NAME OF VOTE 13]																
Vote 14 - [NAME OF VOTE 14]																
Vote 15 - [NAME OF VOTE 15]																
Capital single-year expenditure sub-total	2	292	292	292	292	292	292	292	292	292	292	292	292	3,500	1,056	1,113
Total Capital Expenditure	2	9,305	9,305	9,305	9,305	9,305	9,305	9,305	9,305	9,305	9,305	9,305	9,305	111,660	115,273	121,498

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

NW371 Moretele - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																
<u>Capital Expenditure - Standard</u>	1	83	83	83	83	83	83	83	83	83	83	83	83	1,000	1,056	1,113
<i>Governance and administration</i>																
Executive and council																
Budget and treasury office																
Corporate services		83	83	83	83	83	83	83	83	83	83	83	83	1,000	1,056	1,113
<i>Community and public safety</i>																
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-			
Sport and recreation																
Public safety																
Housing																
Health																
<i>Economic and environmental services</i>		2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	35,100	37,066	39,067
Planning and development																
Road transport		2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925			
Environmental protection																
<i>Trading services</i>		6,088	6,088	6,088	6,088	6,088	6,088	6,088	6,088	6,088	6,088	6,088	6,088	73,060	77,151	81,318
Electricity		1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	1,424	17,093	18,050	19,025
Water		-	-	-	-	-	-	-	-	-	-	-	-			
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-			
Waste management		4,664	4,664	4,664	4,664	4,664	4,664	4,664	4,664	4,664	4,664	4,664	4,664	55,967	59,101	62,293
<i>Other</i>		208	208	208	208	208	208	208	208	208	208	208	208	2,500		
Total Capital Expenditure - Standard	2	9,305	9,305	9,305	9,305	9,305	9,305	9,305	9,305	9,305	9,305	9,305	9,305	111,660	115,273	121,498

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

NW371 Moretele - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS		Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash Receipts By Source																
Property rates	613	613	613	613	613	613	613	613	613	613	613	613	613	7,361	7,736	8,115
Property rates - penalties & collection charges																
Service charges - electricity revenue	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036	12,437	13,071	13,712
Service charges - water revenue																
Service charges - sanitation revenue	592	592	592	592	592	592	592	592	592	592	592	592	592	7,101	7,464	7,829
Service charges - refuse revenue																
Rental of facilities and equipment	26	26	26	26	26	26	26	26	26	26	26	26	26	307	323	339
Interest earned - external investments	472	472	472	472	472	472	472	472	472	472	472	472	472	5,663	5,952	6,244
Interest earned - outstanding debtors	415	415	415	415	415	415	415	415	415	415	415	415	415	4,983	5,237	5,494
Dividends received																
Fines																
Licences and permits																
Agency services																
Transfer receipts - operational	81,402	334	334	334	334	56,833	334	334	44,651	334	334	334	334	187,695	223,357	270,128
Other revenue	64	64	64	64	64	64	64	64	64	64	64	64	64	772	811	854
Cash Receipts by Source	94,620	3,553	3,553	3,553	3,553	62,051	3,553	3,553	47,870	3,553	3,553	3,553	3,553	226,519	263,951	320,715
Other Cash Flows by Source																
Transfer receipts - capital	9,013	9,013	9,013	9,013	9,013	9,013	9,013	9,013	9,013	9,013	9,013	9,013	9,013	108,160	114,217	120,385
Contributions recognised - capital & Contributed assets																
Proceeds on disposal of PPE																
Short term loans																
Borrowing long term/financing																
Increase (decrease) in consumer deposits																
Decrease (increase) in non-current debtors																
Decrease (increase) other non-current receivables																
Decrease (increase) in non-current investments																
Total Cash Receipts by Source	93,634	12,566	12,566	12,566	12,566	71,065	12,566	12,566	56,883	12,566	12,566	12,566	12,566	334,679	378,160	441,099
Cash Payments by Type																
Employee related costs	5,184	5,184	5,184	5,184	5,184	5,184	5,184	5,184	5,184	5,184	5,184	5,184	5,184	62,208	65,380	68,564
Remuneration of councillors	1,280	1,280	1,280	1,280	1,280	1,280	1,280	1,280	1,280	1,280	1,280	1,280	1,280	15,359	16,142	16,933
Finance charges	13	13	13	13	13	13	13	13	13	13	13	13	13	157	165	173
Bulk purchases - Electricity																
Bulk purchases - Water & Sewer	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000	47,295	49,612
Other materials	782	782	782	782	782	782	782	782	782	782	782	782	782	9,384	6,709	7,038
Contracted services	1,327	1,327	1,327	1,327	1,327	1,327	1,327	1,327	1,327	1,327	1,327	1,327	1,327	15,923	16,777	17,589
Transfers and grants - other municipalities																
Transfers and grants - other																
Other expenditure	5,779	5,779	5,779	5,779	5,779	5,779	5,779	5,779	5,779	5,779	5,779	5,779	5,779	69,352	71,236	74,153
Cash Payments by Type	18,115	18,115	18,115	18,115	18,115	18,115	18,115	18,115	18,115	18,115	18,115	18,115	18,115	217,382	223,704	234,082
Other Cash Flows/Payments by Type																
Capital assets	9,305	9,305	9,305	9,305	9,305	9,305	9,305	9,305	9,305	9,305	9,305	9,305	9,305	111,660	115,273	121,498
Repayment of borrowing																
Other Cash Flows/Payments																
Total Cash Payments by Type	27,420	27,420	27,420	27,420	27,420	27,420	27,420	27,420	27,420	27,420	27,420	27,420	27,420	329,042	338,977	355,580
NET INCREASE/(DECREASE) IN CASH HELD	66,213	(14,854)	(14,854)	(14,854)	(14,854)	43,644	(14,854)	(14,854)	29,463	(14,854)	(14,854)	(14,854)	(14,854)	5,638	39,191	85,509
Cash/cash equivalents at the month/year begin.	66,213	51,360	36,506	21,652	21,652	65,297	65,297	50,443	35,589	65,052	50,199	35,345	20,491	-	5,638	44,829
Cash/cash equivalents at the month/year end	66,213	51,360	36,506	21,652	65,297	65,297	50,443	35,589	65,052	50,199	35,345	20,491	5,638	5,638	44,829	130,338

VW371 Moretele - NOT REQUIRED - municipality does not have entities

[illegible]

NW371 Moretele - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand

References

1. Total agreement period from commencement until end
2. Annual value

NW371 Moretele - Supporting Table SA33 Contracts having future budgetary implications

Ref	Description	Preceding Years	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework			Forecast 2016/17 Estimate	Forecast 2017/18 Estimate	Forecast 2018/19 Estimate	Forecast 2019/20 Estimate	Forecast 2020/21 Estimate	Forecast 2021/22 Estimate	Forecast 2022/23 Estimate	Total Contract Value Estimate
				Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16								
1.3	A thousand	Total	Original Budget											
2	Parent Municipality: <u>Revenue Obligation By Contract</u> Contract 1 Contract 2 Contract 3 etc													
2	Total Operating Revenue Implication													
	<u>Expenditure Obligation By Contract</u> Contract 1 Contract 2 Contract 3 etc													
	Total Operating Expenditure Implication													
2	<u>Capital Expenditure Obligation By Contract</u> Contract 1 Contract 2 Contract 3 etc													
	Total Capital Expenditure Implication													
	Total Parent Expenditure Implication													
2	Entities: <u>Revenue Obligation By Contract</u> Contract 1 Contract 2 Contract 3 etc													
2	Total Operating Revenue Implication													
	<u>Expenditure Obligation By Contract</u> Contract 1 Contract 2 Contract 3 etc													
	Total Operating Expenditure Implication													
2	<u>Capital Expenditure Obligation By Contract</u> Contract 1 Contract 2 Contract 3 etc													
	Total Capital Expenditure Implication													
	Total Entity Expenditure Implication													

References

1. Total implication for all preceding years to be summed and total stated in 'Preceding Years' column
2. List all contracts with future financial obligations beyond the three years covered by the MTRF (MFMA s33)

NW371 Moretele - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		48,618	-	-	140,442	140,442	140,442	108,160	114,217	120,385
Infrastructure - Road transport		-	-	-	73,471	73,471	73,471	35,100	37,069	39,067
Roads, Pavements & Bridges		-	-	-	73,471	73,471	73,471	35,100	37,066	39,067
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		5,594	-	-	-	-	-	-	-	-
Generation		5,594	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		20,081	-	-	23,718	23,718	23,718	17,093	18,050	19,025
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		20,081	-	-	23,718	23,718	23,718	17,093	18,050	19,025
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		22,943	-	-	43,253	43,253	43,253	55,967	59,101	62,293
Waste Management		22,943	-	-	43,253	43,253	43,253	55,967	59,101	62,293
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	-	-	-	-	-	-	-	-
Community		1,493	2,509	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	2,509	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		1,493	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		20,943	63,254	69,721	500	500	500	3,500	1,056	1,113
General vehicles		-	-	-	-	-	-	2,500	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (investment or inventory)		-	-	-	-	-	-	-	-	-
Other		20,943	63,254	69,721	500	500	500	1,000	1,056	1,113
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	71,059	65,763	69,721	140,942	140,942	140,942	111,660	115,273	121,488
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

References

1. Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on renewal of existing assets (SA34b) must reconcile to total capital expenditure in Budgeted Capital Expenditure

2. Airports, Car Parks, Bus Terminals and Taxi Ranks

3. For example - technology backbones (e.g. fibre optic, WiFi infrastructure) for economic development purposes

4. Work-in-progress under construction to be budgeted under the respective item

5. Infrastructure includes land and buildings required by that infrastructure and vehicles/equipment used by the service generated by that infrastructure

6. Donated/contributed & leased assets to be included within the respective sub-class

NW371 Moretele - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individuality Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project Information		
										Audited Outcome 2011/12	Current Year 2017/18 Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Ward location	New or renewal	
4				2	6	3	3	5									
Parent municipality:																	
List all capital projects grouped by Municipal Ward																	
WATER		WATER RETICULATION				Infrastructure - Water	Regulation					17,093	18,050	19,025			
SANITATION		Basic Sanitation					Retinolition					55,567	59,101	62,250			
ROADS		Access Roads					Rewels, Pavements & BarPges					35,100	37,086	39,067			
Technical Plan		22 Water Tankers and 2 Bakkies					General vehicles					2,500					
Other Assets							Furniture and other miscel equipment					1,000	1,056	1,113			
Parent Capital expenditure																	
Entities																	
List all capital projects grouped by Entity																	
Entity A												111,650	115,273	121,498			
Water District A																	
Entity B																	
Electricity project B																	
Entity Capital expenditure																	
Total Capital expenditure																	
										-	-	111,650	115,273	121,498			

† Must reconcile with Budget; of Capital Expenditure

² As per Table SA6² As per Table SA.6
³ As per Table SA.7d

3 As per Table SA.30

4. Projects may fall above the threshold values applicable to the municipality as identified in Item 1.3 of the Municipal Order and Reporting Regulations must be listed individually. Other projects or programs by Vote

NW371 Moretele - Supporting Table SA37 Projects delayed from previous financial year/s

[illegible]

MORETELE LOCAL MUNICIPALITY



SUPPLY CHAIN MANAGEMENT POLICY

Policy Adoption Date: _____

Policy Number: _____

Resolution Number: _____

Expected review Date: _____

Version control number: _____

Authorized signature: _____

1. BACKGROUND

This policy is formulated and is implantable in compliance with and to give effect to the provisions of the following pieces of legislations:-

- a) The Constitution of South Africa, Act 108 of 1998
- b) The preferential Procurement Policy Framework Act, 2000, No.5 of 2000;
- c) Local Government: Municipal Finance Management Act 2003, No. 56 of 2003;
- d) The Broad-Based Black Economic Empowerment Act, 2003 No.53 of 2003; and
- e) National Treasury guidelines.

2. OBJECTIVES

To provide a policy framework to maintain a supply chain management system which is transparent, efficient, equitable, competitive, ensures best value for money for the municipality, applies the highest possible ethical standards, and promotes local economic development, in terms of section 62 (1) (f) (iv) of the Municipal Finance Management Act, Act 56 of 2003.

By adopting this policy the council are delegating supply chain management powers and duties to the accounting officer in order to enable the accounting officer to :

- maximize administrative and operational efficiency in the implementation of the supply chain management policy;
- enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of the supply chain management policy; and
- comply with his/her responsibilities in terms of section 115 and other applicable provisions of the Act.

Further pledges itself and the municipal administration to the observance of all applicable national legislation, including specifically the:

- Preferential Procurement Policy Framework Act No. 5 of 2000 and its regulations;
- Broad Based Black Economic Empowerment Act No. 53 of 2003 and any applicable code of practice promulgated in terms of that Act;
- Municipal Finance Management Act No. 56 of 2003; including the regulations relating to the prescribed framework for supply chain management.

The municipality shall not act otherwise than in accordance to this policy when:

- Procuring goods or services;
- Disposing of goods no longer needed; and

- Selecting Service Providers to provide assistance in the provision of municipal services.

3. THE ACCOUNTING OFFICER

- 3.1 Council shall delegate powers and duties to the accounting officer so as per chapter 8 and 10 of the Municipal Finance Management Act.
 - a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of:-
 - i) chapter 8 or 10 of the Municipal Finance Management Act; and
 - ii) the supply chain management policy of the municipality or municipal entity;
 - b) to maximise administrative and operational efficiency in the implementation of the supply chain management policy
 - c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of the supply chain management policy; and
 - d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.
- 3.2 The accounting officer must:-
 - a) promptly prepare and submit a draft supply chain management policy complying with treasury regulations to the Council of the municipality, for adoption;
 - b) at least annually review the implementation of the policy; and
 - c) when the accounting officer considers it necessary, submit proposals for the amendment of the policy to the Council.
- 3.3 The accounting officer must in terms of sections 62 (1)(f) (iv) and 99 (2) (h) of the Act, take all reasonable steps to ensure that the municipality and its entities have and implement a supply chain management policy.
- 3.4 The reports of a municipality must be made public in accordance with section 21 A of the Municipal Systems Act. The reports of a municipal entity must be made public in a similar way.

4. SUPPLY CHAIN MANAGEMENT UNIT

- 4.1 The Municipality will establish a supply chain management unit to implement its supply chain management policy.
- 4.2 The supply chain management unit shall be under the direct supervision of the chief financial officer or an official duly delegated to deal with that function.

5. TRAINING OF SUPPLY CHAIN MANAGEMENT OFFICIALS

- 5.1 The training of officials involved in implementing a supply chain management policy shall be in accordance with any Treasury guidelines on supply chain management training.
- 5.2 The Municipality shall provide for such training in its workplace skills plans.

6. RANGE OF PROCUREMENT PROCESSES

- 6.1 The municipality shall use any of the following ways in procuring goods and services:-
- a) Nominal purchases, up to a transaction value of **R 2 000.00** (VAT included);
 - b) Written quotations for procurements of a transaction value over **R 2 000.00** up to **R 10 000.00** (VAT included);
 - c) Formal written price for procurements of a transaction value over **R 10 000.00** up to **R 200 000.00** (VAT included);
 - d) A competitive bidding process for-
 - i) procurements above a transaction value of **R 200 000.00** (VAT included);
 - ii) the procurement of long term contracts.
- 6.2 The accounting officer may lower but not to increase, the different threshold values specified above.
- 6.3 The accounting officer may direct that:
- a) formal written price quotations be obtained for any specific procurement of a transaction value lower than **R 10 000.00**;
 - b) a competitive bidding process be followed for any specific procurement of a transaction value lower than **R 200 000.00**.
- 6.4 Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of this policy.
- 6.5 When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.
- 6.6 This supply chain management policy, except where provided otherwise it does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including:
- a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity;
 - b) electricity from Eskom or another public entity, another municipality or a municipal entity.
- 6.7 Should the municipality procure goods or services contemplated in section 110(2) of the Act otherwise than through the supply chain management system, it must make public the fact that it procures such goods or services. The public notice should include:-
- a) declare this anomaly and reasons for such action;
 - b) the kind of goods or services; and
 - c) the name of the supplier.

7. GENERAL PRECONDITIONS FOR CONSIDERATION OF WRITTEN QUOTATIONS OR BIDS

The municipality may not consider a written quotation or bid unless the provider who submitted the quotation or bid:

- a) has furnished the municipality with :-
 - i) full namees
 - ii) identification number or company or other registration number; and
 - iii) a valid original tax clearance certificate indicating relevant reference numbers and that the provider's tax matters are in order; and
- b) has indicated:-
 - i) whether he or she is in the service provider of the state, or has been in the service of the state in the previous twelve months;
 - ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or
 - iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months.

7.1 QUOTATIONS

The Chief Financial Officer shall manage procurement requisitions for amounts estimated not to exceed R120 000,00 (one hundred and twenty thousand rand) excluding VAT by calling for quotations.

a) The following principles shall be followed to commit an expenditure:

LIMITS	AUTHORIZATION		
Up to R 10 000,00 (One written quotation)	Recommended by : Checked by : Approved by :	Departmental Manager delegated Divisional head; Divisional Head Expenditure Chief Financial Officer	or
Between R 10 000,01 and R 30 000,00 (Two written quotations)	Recommended by : Checked by : Approved by :	Departmental Manager delegated Divisional head; Divisional Head Expenditure Chief Financial Officer	or
Between R 30 000,01 and R 200 000.00 (Three written quotations)	Recommended by : Checked by : Approved by :	Departmental Manager delegated Divisional head; Div Head Expenditure Chief Financial Officer Municipal Manager	and

b) For a quotation to be considered, it must:

- i. be in writing,
- ii. be signed by a person with the necessary authority to act on behalf of the prospective supplier,
- iii. if the quantity of quotations cannot be obtained as required above, a written motivation from the head of the department must accompany the order,
- iv. the quotations must be from the list of accredited prospective suppliers,
- v. quotations may be obtained from suppliers that are not listed, only when no suitable provider for the required commodity or type of service are available from the list.
- vi. the departmental manager must certify that the supplier possesses the skills and resources to execute the bid properly.

c) Written quotations

- i) Written quotations shall be used for procurements of a transaction value over **R 2 000.00** up to **R 10 000.00**
- ii) Quotations must be obtained from at least three different service providers preferably from but not limited to, service providers whose names appear on the list of accredited prospective service providers of the municipality, provided that if quotations are obtained from service providers who are not listed, such service providers must meet the listing criteria.
- iii) In all instances where feasible, providers must be requested to submit such quotations in writing.
- iv) If it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officer.
- v) The accounting officer must record the names of the potential providers requested to provide such quotations with their quoted prices.
- vi) If a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.

d) Formal written price quotations in an enclosed envelope:

- i) Formal written price quotations shall be required for procurements of a transaction value over **R 10 000.00** up to **R 200 000.00** (VAT included).
- ii) Quotations must be obtained from at least three different providers preferably from but not limited to, providers whose names appear on the list of accredited prospective providers of the municipality, provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria.

- iii) In all instances where feasible, providers must be requested to submit such quotations in writing.
- iv) If it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officer.
- v) The accounting officer must record the names of the potential providers requested to provide such quotations with their quoted prices.

e) Procedures for procuring goods or services through written quotations and formal written prices quotations:

- i) All requirements in excess of **R 30 000.00** (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements above be advertised for at least seven days on the website and an official notice board of the municipality.
- ii) When using the list of accredited prospective providers the accounting officer must promote ongoing competition amongst providers, including by inviting providers to submit quotations on a rotation basis.
- iii) The accounting officer must take all reasonable steps to ensure that the procurement of goods and services through written quotations or formal written price quotations is not abused;
- iv) The accounting officer or chief financial officer must on a monthly basis be notified in writing of all written quotations and formal written price quotations accepted by an official acting in terms of a sub-delegation.
- v) All transactions pertaining to procedures for procuring goods or services through written quotations and formal written price quotations shall be duly recorded.

f) Specifications of orders:

Orders has to be completed in full detail of which the following are important:

- i. Name and address of supplier;
- ii. The date on which the order was placed;
- iii. The expected date of delivery;
- iv. The expenditure vote number;
- v. A certificate of the Departmental Manager to indicate that sufficient
- vi. provision has been made within the budget;
- vii. The signature of the person requested the order ;
- viii. the person authorized to sign the order on behalf of the Departmental
- ix. Manager and the authorization signature of the officials as indicated
- x. above;
- xi. The date on which the order was authorized;
- xii. Motivation for items to be purchased;
- xiii. The quotations shall be attached to the blue copy of the order.

In the case of expenditure lower than **R 30 000,00** (thirty thousand rand), the lowest quotation substantially to specification shall be accepted, taking into account the municipality's preferential procurement requirements, provided the Chief Financial Officer is satisfied that it offers acceptable value for money for the municipality.

In the case of expenditure higher than **R30 000,00** (thirty thousand rand), each quotation received shall be evaluated in terms of specifications and the preference point scoring system in terms of this policy. For goods and or services with amounts **R30 000.00** and above, quotations must called through the use of local media. The advert must appear 7 days before the the procuring of the goods or service.

Contracts that are **R30 000.00** and above will only be awarded to service providers with SARS clearance certificates. When service providers are submitting a quote they must also submit the SARS clearance certificate.

7.2 TENDERS

The Chief Financial Officer shall manage procurement requisitions for amounts estimated to be in excess of **R 200 000.00** (two hundred thousand rand) excluding VAT by calling for tenders. The request for such tenders shall be prepared by the Expenditure Division, shall prominently be displayed on all of the municipality's notice boards, and shall additionally be advertised in the local newspapers and, or at least in one national newspaper of repute. Notices calling for tenders shall indicate the closing date and time for the submission of tenders, and such closing date shall be at least 30 (thirty) calendar days after the date on which the call for tenders is first displayed or advertised, whichever date is the later. These notices shall be approved by the accounting officer before the publication thereof.

For a tender to be considered it must comply with all the requirements indicated for quotations under part 2.1 above, except that a tender must be placed in the tender box(es) provided for this purpose, the location of which shall be clearly specified in the relevant notice calling for tenders. No tenders, received after the closing time, shall be considered for approval. In addition, tenders, with a total value of 30% below and a 15% above average of all tenders received, shall also not be considered for approval.

The Chief Financial Officer shall ensure that such tender boxes are sealed until the date and time of their official opening, and that they are properly secured at all times.

Where the relevant notice specifies that prospective bidder must complete certain documentation which must be obtained from the municipality, failure to complete such documentation shall render the tender invalid.

A deposit, as determined from time to time by the council, is payable for all tenders with an expected value equal or more than **R 300 000,00** (three hundred thousand rand) in order to obtain such documentation. In the case of deposits,

the amount concerned shall be refundable to the bidder within 7 (seven) working days after the tenders have been opened.

From time to time, invitations for forthcoming tenders or quotations may specify initial attendance by prospective suppliers at briefing meetings or site inspections or may require only an initial expression of interest from prospective suppliers indicating their expertise and/or other credentials in respect of the provision of the required goods or services. In such instances, the municipality reserves the right to limit subsequent invitations for the actual tenders or quotations to suppliers who have attended such meetings or inspections or who have provided reasonable evidence of the expertise or credentials required.

Each tender received shall be evaluated in terms of the tender specifications and the preference point scoring system in terms of this policy. Each bidder's track record has to be verified and if it has the ability / capacity to render the service or product as well as to be able to render an after-sale-service. The tender documents for each bidder have to be checked, whether –

- a valid VAT clearance certificate issued by SARS has been submitted (if applicable);
- it is completed and signed;
- it is accompanied by a declaration from the supplier that there are no conflict of interest in the specific transaction and that he / she are committed to the conditions as stipulated in the Supply Chain Management Policy of this council;
- an acknowledgement that disputes be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law, is attached.

Tenders must be submitted to the municipality in a sealed envelope, clearly indicating the purpose of the tender as well as an allocated tender number.

The Accounting Officer can negotiate the final terms of a contract with bidders identified through a tender process as a preferred bidder, provided that such negotiation-

- does not allow any preferred bidder a second or unfair opportunity;
- is not to the detriment of any other bidder, and
- be minuted and kept on record.

The service provider that has been awarded the contract must deliver within 7 working days. Failing this the service provider must make a request in writing explaining the challenges it is facing to the Municipality to deliver at a later date than stipulated in this policy.

Should the bidder who has been awarded the contract not deliver, the Municipality will give the bidder 14 working days to rectify whatever concerns the Municipality has. Failure to rectify these will lead to the cancellation of the contract and the second preferred bidder will be appointed on a temporary basis while the tender process is underway so as to ensure that service delivery still continues while the processes are taking place.

7.3 USE OF DATABASE OF SUPPLIERS

The Expenditure Division shall at least annually, by notice and advertisement as for quotations and tenders under parts 7.1 and 7.2, request prospective suppliers, either generally or for specified ranges of goods and services, to submit their names, profile of the business and other relevant details to the Expenditure Division for inclusion in a database of suppliers. Such details shall include an indication of the goods and services normally provided.

The Expenditure Division shall then, in addition to the communication processes specified under part 7.1 and 7.2, forward – either electronically or by facsimile – copies of any notices of quotations and tenders to the relevant suppliers. However, failure by the procurement section to forward such notices or the non-receipt of such notices by any supplier shall not invalidate the procurement process. The onus remains on the prospective suppliers to apprise themselves of the municipality's requirements as indicated in the prescribed communication processes set out under parts 7.1 and 7.2, and the additional notification by virtue of the supplier's being included in the database of suppliers shall be viewed simply as a courtesy on the part of the municipality.

The inclusion of any supplier in the database of suppliers by no means obviates the need for such supplier to respond in the prescribed manner to notices of the municipality's procurement requirements.

The policy allows for rotation of services to accredited service providers in the database. However, the rotation will still not be at the expense of acquiring services or goods at an efficient price.

The policy will also give preference to local suppliers as long as this does not compromise efficient acquisition of goods and services.

8. PETTY CASH PURCHASES

- 8.1 Petty cash purchases shall be up to a transaction value of **R 500.00** (VAT included)
- 8.2 A manager may delegate responsibility for petty cash to an official reporting to the manager subject to powers of delegations of the municipality.
- 8.3 The maximum amount per month for each Department may not exceed **R 5 000.00**.
- 8.4 A manager utilising petty cash purchases must submit monthly reconciliation reports to the chief financial officer, including:
 - a) the total amount of petty cash purchases for that month; and
 - b) receipts and appropriate documents for each purchase.
- 8.5 Managers to keep their own records for reconciliation purposes.

9. COMPETITIVE BIDS

- 9.1 Goods and Services above a transaction value of **R 200 000.00** (VAT included) and long term contracts may be procured by the municipality only through a competitive bidding process, subject to regulation.
- 9.2 Goods or services above an estimated transaction value of **R 200 000.00** (VAT included), may not deliberately be split into part or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

10. BID DOCUMENTATION FOR COMPETITIVE BIDS

- 10.1 Bid documentation for a competitive bidding process must comply with requirements stated in item 7 above
- 10.2 In addition the bid documentation must take into account:
 - a) the general conditions of contract;
 - b) any Treasury guidelines on bid documentation; and
 - c) the requirements of the Construction Industry Development Board in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
- 10.3 Bid documentation must include evaluation and adjudication criteria including any criteria required by other applicable legislation.
- 10.4 Bidders are compelled to declare any conflict of interest they may have in the transaction for which the bid is submitted.
- 10.5 Where the value of the transaction is expected to exceed **R 10 million** (VAT included) bidders are required to furnish:-
 - a) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements for the past three years or since their establishment if established during the past three years;
 - b) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards the municipality or other service provider in respect of which payment is overdue for more than 30 days;
 - c) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
 - d) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality is expected to be transferred out of the Republic, and
- 10.6 Disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or when unsuccessful, in a South African court of law.

11. PUBLIC INVITATION FOR COMPETITIVE BIDS

- 11.1 Any invitation to prospective providers to submit bids be by means of a public advertisement in newspapers commonly circulating locally, the website of the municipality or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin)
- 11.2 The information a public advertisement must contain, which must include:
 - a) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over **R 10 million** (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper.
 - b) a statement that bids may only be submitted on the bid documentation provided by the municipality.
- 11.3 The accounting officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.
- 11.4 Bids submitted to the municipality must be sealed.
- 11.5 Where bids are requested in an electronic format, such bids must be supplemented by sealed hard copies.

12. PROCEDURE FOR HANDLING, OPENING AND RECORDING OF BIDS

- 12.1 Bids may be opened only in public
- 12.2 Bids must be opened at the same time and as soon as possible after the period for the submission of bids has expired
- 12.3 Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price.
- 12.4 The accounting officer must:
 - a) record in a register all bids received in time
 - b) make the register available for public inspection; and
 - c) publish the entries in the register and the bid results on the website of the municipality.

13. NEGOTIATIONS WITH PREFERRED BIDDERS

- 13.1 The accounting officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders provided that such negotiations:
 - a) does not allow any preferred bidder a second or unfair opportunity;
 - b) is not to the
- 13.2 Minutes of such negotiations must be kept for record purposes.

14. TWO-STAGE BIDDING PROCESS

- 14.1 The Municipality may utilise a two-stage bidding process for:
 - a) large complex projects;

- b) projects where it may be undesirable to prepare complete detailed technical specifications; or
 - c) long term projects with a duration period exceeding three years.
- 14.2 In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
- 14.3 In the second stage final technical proposals and priced bids should be invited.

15. COMMUNITY SYSTEM FOR COMPETITIVE BIDS

- 15.1 The Municipality shall establish the following committees for competitive bids:
 - a) a bid specification committees;
 - b) a bid evaluation committee; and
 - c) a bid adjudication committee;
- 15.2 The accounting officer shall within his delegated powers appoint members of each committee, taking into account section 117 of the MFMA.
- 15.3 The accounting officer may appoint or allow a neutral or independent observer when this is appropriate for ensuring fairness and promoting transparency.
- 15.4 Unless otherwise directed, the committees shall apply to formal written price quotations.

16. BID SPECIFICATION COMMITTEE

- 16.1 A bid specification committee must compile the specifications for each procurement of goods or services by the municipality.
- 16.2 Specifications:
 - a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
 - b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;
 - c) where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;
 - d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;
 - e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficient precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the words "equivalent"; except on servicing and repairs of vehicles or machinery and equipment, there should be a service level agreements on maintenance with the dealer. In cases where warranty has expired, the parts will be procured directly from the brand dealer or

- f) must indicate each specific goal for which points may be forwarded in terms of the points system set out in the supply chain management policy of the municipality; and
 - g) must be approved by the accounting officer prior to publication of the invitation for bids;
- 16.3 A bid specification committee will be composed by the accounting officer, manager responsible for the function involved and, and may, when appropriate, include external specialist advisors,
- 16.4 No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, any bid for any resulting contracts.
- 16.5 Bid specification committees shall sit and consider requisitions within five (5) days after the relevant department had submitted the request for tenders.

17. BID EVALUATION COMMITTEES

- 17.1 A bid evaluation committee must:
 - a) evaluate bids in accordance with-
 - i) the specifications for a specific procurement; and
 - ii) the procurement points system of the municipality.
 - b) evaluate each bidder's ability to execute the contract;
 - c) check in respect of the recommended bidder whether municipal rates and taxes and municipal services charges are not in arrears; and
 - d) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.
- 17.2 A bid evaluation committee will as far as possible be composed of:-
 - a) officials from departments requiring the goods or services; and
 - b) at least one supply chain management practitioner of the municipality, and may, when appropriate, include external specialist advisors.
 - c) Bid evaluation committees shall sit and appoint service providers within fourteen 14 days after the tender has closed.

18. BID ADJUDICATION COMMITTEES

- 18.1 A bid adjudication committee must:
 - a) consider the report and recommendations of the bid evaluation committee; and
 - b) either
 - i) depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or
 - ii) make another recommendation to the accounting officer how to proceed with the relevant procurement.
- 18.2 A bid adjudication committee must consist of:
 - a) the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer;
 - b) all departmental heads of the municipality

- c) at least one senior supply chain management practitioner who is an official of the municipality; and
 - d) a technical expert in the relevant field who is an official of the municipality, if the municipality has such an expert.
- 18.3 The accounting officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.
- 18.4 Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.
- 18.5 If a bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal services charges are not in arrears; and notify the accounting officer.
- 18.6 The accounting officer may after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication and if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.
- 18.7 The accounting officer may at any stage of a bidding process refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.
- 18.8 Bid evaluation committees shall sit and appoint service providers within seven (7) days after the Bid evaluation committee has considered the tenders.

19. PROCUREMENT OF BANKING SERVICES

- 19.1 A contract for the provision of banking services to the municipality.
- a) must be procured through competitive bids;
 - b) must be consistent with sections 7 or 85 of the Act; and
 - c) may not be for a period of more than five years at a time.
- 19.2 The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.
- 19.3 The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of regulation 22(1). Bids must be restricted to banks registered in terms of the Banks Act 1990 (Act No. 94 of 1990).

20. PROCUREMENT OF IT RELATED GOODS OR SERVICES

- 20.1 The accounting officer may request the State Information Technology Agency (SITA) to assist the municipality with the acquisition of IT related goods or services through a competitive bidding process.
- 20.2 The municipality will enter into a written agreement to regulate the services rendered by, and the payments to be made to SITA.
- 20.3 The accounting officer must notify SITA together with a motivation of the IT needs of the municipality if:
- a) the transaction value of IT related goods or services required by the municipality in any financial year will exceed 1950 million (VAT included); or

- b) the transaction value of a contract to be procured by the municipality whether for one or more years exceeds 1950 million (VAT included).
- 20.4 If SITA comments on the submission and the municipality disagrees with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.

21. PROCUREMENT OF GOODS AND SERVICES UNDER CONTRACTS SECURED BY OTHER ORGANS OF STATE

- 21.1 The accounting officer may procure goods or services for the municipality under a contract secured by another organ of state, but only if:
- a) scenic organ of stats;
 - b) the municipality has no reason to believe that such contract was not validly procured;
 - c) there are demonstrable discounts or benefits for the municipality to do so; and
 - d) that other organ of state and the provider have consented to such procurement in writing.
- 21.2 The above provisions do not apply where the municipality or its entity procures goods or services through a contract secured by its parent municipality.

22. PROCUREMENT OF GOODS NECESSITATING SPECIAL SAFETY ARRANGEMENTS

- 22.1 The acquisition and storage of goods in bulk (other than water) which necessitate special safety arrangements, including gasses and fuel is restricted.
- 22.2 Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership and cost advantages for the municipality.

23. PROUDLY SA CAMPAIGN

A supply chain management policy must stipulate to what extent the municipality supports the Proudly SA Campaign.

24. APPOINTMENT OF CONSULTANTS

- 24.1 The accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.
- 24.2 A contract for the provision of consultancy services to the municipality must be procured through competitive bids if:
- a) the value of the contract exceeds **R 200 000.00** (VAT included); or
 - b) the duration period of the contract exceeds one year.
- 24.3 In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish the municipality with particulars of:
- a) all consultancy services provided to an organ of state in the last five years; and

- b) any similar consultancy services provided to an organ of state in the last five years.
- 24.4 The municipality must ensure that copyright in any document produced, and the patent rights or ownership in any plant machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the municipality.

25. DEVIATION FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES

- 25.1 The accounting officer may:
 - a) dispense with the official procurement processes established by this policy and procure any required goods or services through any convenient process, which may include direct negotiations, but only:
 - i) in an emergency;
 - ii) if such goods or services are produced or available from a single provider only;
 - iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - iv) acquisition of animals for zoos; or
 - v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
 - b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.
- 25.2 The accounting officer must record the reasons for any deviations in terms of and report them to the next meeting of the Council, and include such deviations as a note to the annual financial statements.

26. UNSOLICITED BIDS

- 26.1 The municipality is not obliged to consider unsolicited bids received outside a normal bidding process.
- 26.2 Should the municipality consider an unsolicited bid, this may be done only if:
 - a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
 - b) the product or service will be exceptionally beneficial to, or have exceptional cost advantage for the municipality;
 - c) the person who made the bid is the sole provider of the product or service; and the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.
- 26.3 If a municipality decides to consider an unsolicited bid, the municipality must take its decision public in accordance with section 21A of the Municipal Systems Act, together with:
 - a) its reasons as to why the bid should not be open to other competitors;
 - b) an explanation of the potential benefits for the municipality were it to accept the unsolicited bid; and
 - c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.
- 26.4 Once the municipality has received written comments relating 24.3 above, it must submit such comments, including any responses from the unsolicited

- bidder, to the National Treasury and the relevant provincial treasury for comment
- 26.5 The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.
- 26.6 A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.
- 26.7 When considering the matter, the adjudication committee must take into account:
- a) any comments submitted by the public; and
 - b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.
- 26.8 If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.
- 26.9 Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the municipality to the bid may be entered into or signed within 20 days of the submission.

27. COMBATING OF ABUSE OF SUPPLY CHAIN MANAGEMENT SYSTEM

- 27.1 The accounting officer must:
- a) take all reasonable steps to prevent such abuse of the supply chain management process;
 - b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with the supply chain management policy, and when justified-
 - i) take appropriate steps against such official or other role players; or
 - ii) report any alleged criminal conduct to the South African Police Service;
 - c) check the National Treasury database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
 - d) reject any bid from a bidder-
 - i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the municipality or to any other municipality are in arrears for more than three months; or
 - ii) who during the last five years has failed to perform satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
 - e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;
 - f) cancel a contract awarded to a person if-

- i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
- g) reject the bid of any bidder if that bidder or any of its directors-
 - i) has abused the supply chain management system of the municipality or has committed any improper conduct in relation to such system;
 - ii) has been convicted for fraud or corruption during the past five years;
 - iii) has wilfully neglected reneged on or failed to comply with any government municipal or other public sector contract during the past five years; or
 - iv) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004.

27.2 The accounting officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of policy.

28. LOGISTICS MANAGEMENT

- 28.1 Inventory levels,
- 28.2 Placing of orders,
- 28.3 Receiving and distribution of goods,
- 28.4 Stores and warehouse management,
- 28.5 Expediting orders,
- 28.6 Transport management,
- 28.7 Vendor performance,
- 28.8 Maintenance and contract administration.

29. DISPOSAL MANAGEMENT

- 29.1 Immovable property may be sold only at market related prices except when the public interest or the plight of the poor demands otherwise.
- 29.2 Movable assets may be sold either by way of written price quotations, a competitive bidding process, auction or market related prices whichever is the most advantageous to the municipality.
- 29.3 In the case of the free disposal of computer equipment, the provincial department of education must first be approached to indicate within 30 days whether any of the local schools are interested in the equipment.
- 29.4 In the case of the disposal of firearm, the National Conventional Arms Control Committee has approved any sale or donation of firearms to any person or institution within or outside the Republic;
- 29.5 Immovable property will be let at market related rates except when the public interest or the plight of the poor demands otherwise.
- 29.6 All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property shall be reviewed annually.
- 29.7 Where assets are traded in for other assets, the highest possible trade-in price shall be negotiated.

30. RISK MANAGEMENT

The Municipality shall establish a risk management system which includes:

- a) the identification of risks on a case-by-case basis;
- b) the allocation of risks to the best suited to manage such risks;
- c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
- d) the management of risks in a pro-active and the provision of adequate cover for residual risks; and
- e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

31. MONITORING SUPPLY CHAIN MANAGEMENT

The Municipality shall install an internal monitoring system in order to determine, on the basis of a retrospective analysis whether the authorised supply chain management processes are being followed and whether the desired objectives are being achieved.

32. PROHIBITION ON AWARDS TO PERSONS WHOSE TAX MATTERS ARE NOT IN ORDER

32.1 The Municipality, irrespective of the procurement process followed, may not make any award above **R 15 000.00** to a person whose tax matters have not been declared by the South African Revenue Service to be in order.

32.2 Before making an award to a person, the service provider must submit a valid original tax clearance certificate.

33. PROHIBITION ON AWARDS TO PERSONS IN THE SERVICE OF THE STATE

The Municipality, irrespective of the procurement process followed, may not make any award to a person:

- a) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
- b) who is an advisor or consultant contracted with the municipality.

34. AWARD TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE

The notes to the annual financial statements of the municipality must disclose particulars of any award of more than **R 2 000.00** to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including:

- a) the name of that person;
- b) the capacity in which that person is in the service of the state; and
- c) the amount of the award.
- d) MBD 4 have to be submitted with all quotations of above R2000

35. CODE OF ETHICAL STANDARDS FOR OFFICIALS AND OTHER ROLE PLAYERS IN THE SUPPLY CHAIN MANAGEMENT

- 35.1 An officials and other role players in the supply chain management must conduct the affairs of the municipality in a manner that will promote:
- a) mutual trust and respect; and
 - b) an environment where business can be conducted with integrity and in a fair and reasonable manner.
- 35.2 An official or other role player involved in the implementation of the supply chain management policy of the municipality:
- a) must treat all providers and potential providers equitably;
 - b) may not use his or her position for private gain or to improperly benefit another person;
 - c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person.
- 35.3 Officials and other role players must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person.
- 35.4 Officials and other role players must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the municipality;
- 35.5 Officials and other role players must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest.
- 35.6 An official or role player must be scrupulous in his or her use of property belonging to the municipality.
- 35.7 An official or role player must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system and must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of including-
- i) any alleged fraud, corruption, favouritism or unfair conduct;
 - ii) any alleged contravention of treasury regulations; or
 - iii) any alleged breach of the code of ethical standards
- 35.8 All declarations must be recorded in a register which the accounting officer must keep for this purpose.
- 35.9 All declarations by the accounting officer must be made to the mayor of the municipality and ensure that such declarations are recorded in the register.
- 35.10 The municipality shall take appropriate action against any official or other role player who commits a breach of the above ethical standards.
- 35.11 In implementing this code of conduct the municipality will take into account the National Treasury's code of conduct for supply chain management practitioners.

36. INDUCEMENTS REWARDS, GIFTS AND FAVOURS TO MUNICIPALITIES, OFFICIALS AND OTHER ROLE PLAYERS

36.1 No person who is a provider or prospective provider of goods or services to a municipality, or a recipient or prospective recipient of goods disposed or to be disposed of by a municipality may either directly or through a representative or intermediary promise, offer or grant:

- a) any inducement or reward to the municipality for or in connection with the award of a contract; or
- b) any reward, gift, favour or hospitality to-
 - i) any official of the municipality; or
 - ii) any other role player involved in the implementation of the supply chain management policy of the municipality

36.2 The accounting officer of a municipality must promptly report any alleged contravention to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.

37. SPONSORSHIPS

The accounting officer of a municipality must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted to the municipality, whether directly or through a representative or intermediary, by any person who is:

- a) a provider or prospective provider of goods or services to the municipality; or
- b) a recipient or prospective recipient of goods disposed or to be disposed, of by the municipality.

38. Bidders commitments

All prospective bidders of the municipality shall -

- (a) abide to the mission and vision of the municipality and shall assist the municipality to realise and meet its objectives;
- (b) after an award of any contract for more than R200 000 , the service provider shall commit himself or herself to a 1% social responsibility programme; and the accounting officer shall ensure compliance with section 48 of this policy.
- (c) ensure and promote good relations with all structures established in terms of the municipal processes, the Municipal Systems Act, and the Municipal Structures Act;

- (d) promote the employment of local people, reimburse their services taking into consideration the minimum standards set by the Department of labour through the Sectoral Determination Act.

39. OBJECTIONS AND COMPLAINTS

Persons aggrieved by decisions or actions taken by the municipality in the implementation of the supply chain management system, may lodge a written objection or complaint to the municipality against the decision or action within 14 days of the decision or action.

40. RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES

40.1 In the case of a dispute the municipality may appoint an accounting officer or an independent and impartial person not directly involved in the supply chain management processes of the municipality:

- a) to assist in the resolution of disputes between the municipality and other persons regarding-
 - i) any decisions or actions taken by the municipality in the implementation of its supply chain management system; or
 - ii) any matter arising from a contract awarded in the course of its supply chain management system; or
- b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

40.2 The person appointed must strive to resolve promptly all disputes, objections, complaints or queries received and submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.

40.3 The accounting officer or another responsible official designated is responsible for assisting the appointed person to perform his or her duties.

40.4 A dispute, objection, complaint or query may be referred to the relevant provincial treasury if-

- a) the dispute, objection, complaint or query is not resolved within 60 days; or
- b) no response is received from the municipality within 60 days.

40.5 If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.

40.6 This regulation must not be read as affecting a person's rights to approach a court at any time.

41. CONTRACTS PROVIDING FOR COMPENSATION BASED ON TURNOVER

If a service provider acts on behalf of a municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service

provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the municipality must stipulate:

- a) a cap on the compensation payable to the service provider; and
- b) that such compensation must be performance based.

ANNEXURE D

MORETELE LOCAL MUNICIPALITY



CREDIT CONTROL AND DEBT COLLECTION BY LAWS

By-law Adoption Date: _____

By-law Number: _____

Resolution Number: _____

Expected review Date: _____

Version control number: _____

Authorized signature: _____

TABLE OF CONTENTS

PART 1	DEFINITIONS	4
PART 1.1	OBJECTIVES: CONSTITUTIONAL OBLIGATIONS	9
PART 2	EXPECTED FUTURE PAYMENT LEVELS	9
PART 3	NOTICE OF DEFAULT AND INTENDED TERMINATION OR RESTRICTION OF SERVICES	9
PART 4	RECONNECTIONS OR REINSTATEMENT OF RESTRICTED SERVICES	10
PART 5	PERIODS FOR RECONNECTIONS OR REINSTATEMENTS	10
PART 6	ILLEGAL RECONNECTIONS	11
PART 7	RESTRICTION OF SERVICES	11
PART 8	SERVICES NOT RECONNECTED OR REINSTATED AFTER TWO WEEKS	11
PART 9	ARRANGEMENTS FOR PAYMENT OF ARREAR ACCOUNTS	12
PART 10	SERVICE CONTRACT	13
PART 11	PAYMENT OF DEPOSITS	13
PART 12	ALLOCATIONS OF PART-PAYMENTS AND APPROPRIATION OF DEPOSITS	14
PART 13	QUERIES BY ACCOUNTHOLDERS	14
PART 14	INABILITY TO READ METERS	14
PART 15	DISHONoured AND OTHER UNACCEPTABLE CHEQUES	15
PART 16	DELEGATION OF RESPONSIBILITIES BY MUNICIPAL MANAGER	15
PART 17	ROLE OF MUNICIPAL MANAGER	15

PART 18	ROLE OF COUNCILLORS	16
PART 19	INTERESTS ON ARREARS AND OTHER PENALTY CHARGES	16
PART 20	INDIGENCY MANAGEMENT	17
PART 21	UNCOLLECTABLE ARREARS	17
PART 22	ARREARS WHICH HAVE ARISEN PRIOR TO THE ADOPTION OF THE PRESENT BY-LAW	17
PART 23	BY-LAWS TO BE ADOPTED	18
PART 24	ANNEXURE: LEGAL REQUIREMENTS	18

PRE-AMBLE

The Municipal Finance Management Act (MFMA), Act 56 of 2003, aims to modernise budget and financial management practices in municipalities in order to maximise the capacity of a municipality to deliver services to all residents, customers and users. It also gives effect to the principle of transparency as required by sections 215 and 216 of the Constitution. The Council of the municipality, in adopting this by-law on credit control and debt Collection, recognizes its constitutional obligations as set out in Chapter 7 of the Constitution and Chapter 9 of the Municipal Systems Act, Act No. 32 of 2000, to develop the local economy and to provide acceptable services to its residents. It Simultaneously acknowledges that it cannot fulfil these constitutional obligations Unless it exacts payment for the services which it provides and for the taxes which it legitimately levies in full from those residents who can afford to pay, and in accordance with its indigence relief measures for those who have registered as indigents in terms of the Council's approved indigence management policy

- This is a mandatory by-law in terms of Section 96 of the Municipal Systems Act and it is also a budget-related by-law in terms of the definition of such policies in Section 1 of the MFMA. This by-law must therefore be reviewed, and revised if necessary, as part of each annual budget process.
- The accounting officer (municipal manager) is charged with the responsibility for managing the revenues of the municipality (Section 64 of the MFMA), and the municipal manager is therefore responsible for the implementation and administration of this by-law. Section 100 of the Municipal Systems Act in fact specifically assigns the legal responsibility for implementing this by-law to the municipal manager (see Part 17 of the by-law).
- In terms of Section 98 of the Municipal Systems Act the council must adopt by-laws to give effect to this by-law.

PART 1: DEFINITIONS

Definitions – in this by-law, any word or expression to which a meaning has been assigned in the Local Government: Municipal Systems Act, has that meaning, unless the context indicates otherwise:-

“Arrangement” means a written agreement entered into between the Council and the Debtor where specific repayment parameters are agreed to.

“Account” means an account rendered specifying charges for services provided by the municipality, or any authorized and contracted Service Provider, and/or assessment rates levies;

"Billing date" means the date upon which the monthly statement is generated and debited to the customer's account

"Business premises" means premises utilized for purposes other than residential and excludes the following"

- (a) hospitals, clinics and institutions for mentally ill persons which are not operated for gain.
- (b) museums, art galleries, libraries and botanical gardens which are registered in the names of private persons and are open to the public, whether admission fees are charged or not;
- (c) sports grounds used for the purpose of amateur sports and any social activities which are connected with such sports;
- (d) any property registered in the name of an institution or organization which, in the opinion of the Council, performs charitable work;
- (e) any property utilized for bona fide church or religious purposes.

"Chief Financial Officer" means the official accountable and responsible to the Municipal Manager for the implementation, enforcement and administration of the Debt Collection Policies contained in these by-laws.

"Credit Control" means all the functions relating to the collection of monies owed by Ratepayers and the users of Municipal services.

"Council" means the Municipal Council of Moretele Municipality or any duly authorized committee, political office bearer or official of the said council.

"Customer" means any occupier of any premises to which the Council has agreed to supply or is actually supplying services, or if there is no occupier, then the owner of the premises and includes any Debtor of the Municipality

"Day/days" means calendar days, inclusive of Saturdays, Sundays and Public Holidays.

"Defaulter" means any person owing the Council arrear monies in respect of taxes and/or service charges

"Due date" in relation to:

- (a) rates due in respect of any immovable property, means the fifteenth day of each and every month of the Financial year for which rate is made, or any other date determined by Council by Notice in the Provincial Gazette, and
- (b) service charges due in respect of any immovable property,
- (c) means the date for payment indicated on the account
- (d) Should such day fall on a Saturday, Sunday or Public Holiday the due date shall be the next working day.

"Immovable property" includes –

- (a) an undivided share in immovable property, and
- (b) any right in immovable property.

"Indigent Debtor" means":

- (a) The head of an Indigent household:
 - (i) who applied for and has been declared Indigent in terms of this By-law for the provision of services from the Municipality; and
 - (ii) who makes application for Indigent support in terms of these by-laws on behalf of all members of his or her household;
- (b) Orphaned minor children duly represented by their legal and/or defacto guardians.

"Indigent Support Programme" means a structured programme for the provision of Indigent support subsidies to qualifying Indigent Debtors in terms of the Council's Indigent support Policy.

"Indigent Support Policy" means the Indigent Support Policy adopted by the Council of the Municipality.

"Interest" a charge levied on all arrear monies and calculated at a rate determined by council from time to time.

"Month" means a calendar month

"Monthly average consumption" means the monthly average consumption in respect of that property calculated on the basis of consumption over the preceding twelvemonths.

"Municipal pay point" means any Municipal office in the area of jurisdiction of the municipality designated by Council for such purposes, or any such other places as the Chief Financial Officer may from time to time designate.

"Municipal services" means services provided either by the Municipality, or by an external agent on behalf of the Municipality in terms of a Service Delivery Agreement, and shall include charges in respect of water and electricity consumption.

"Municipality" means Moretele Municipality

"Municipal Manager" means the Municipal Manager of the Moretele Municipality or his or her nominee acting in terms of power delegated to him or her by the said Municipal Manager with the concurrence of the Council.

"Occupier" means the person who controls and resides on or controls and otherwise uses immovable property; provided that-

- (a) The husband or wife of the owner of immovable property which is at any time used by such owner and husband or wife as a dwelling, shall be deemed to be the occupier thereof;
- (b) Where a husband and wife both reside on immovable property and one of them is an occupier thereof; the other shall also be deemed to be an occupier thereof.

"Owner" in relation to immovable property means-

- (a) The person in whom is vested the legal title thereto provided that;-
 - (i) the lessee of immovable property which is leased for a period of not less than thirty years, whether the lease is registered or not shall be deemed to be the owner thereof;
 - (ii) the occupier of immovable property occupied under a Service servitude or right analogous thereto, shall be deemed to be the owner thereof;
- (b) If the owner is dead or insolvent or has assigned his or her estate for the benefit of his creditors, has been placed under curatorship by order of the court or is a company being wound up or under judicial management, the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be, shall be deemed to be the owner thereof;
- (c) (i) If the owner is absent from the Republic or if his address is unknown to the Municipality, any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property, or
(ii) If the Municipality is unable to determine who such person is, the person who is entitled to the beneficial use of such property.

"Premises" includes any piece of land, the external surface boundaries of which are delineated on:

- (a) A general plan or diagram registered in terms of the Land Survey Act, (9 of 1927) or in terms of the Deed Registry Act, 47 of 1937; or
- (b) A sectional plan registered in terms of the Sectional Titles Act, 95 of 1986, which is situated within the area of jurisdiction of the Council.

"Prescribed" means prescribed by these by-laws and where applicable by Council or the Municipal Manager

"Person" means a natural or juristic person, including any Department of State, statutory bodies or foreign embassies.

"Rates" means any tax, duty or levy imposed on property by the Municipality

"Registered owner" means that person, natural or juristic, in whose name the property is registered in terms of the Deeds Registry Act, no 47 of 1937.

"Responsible person" means any person other than the registered owner of an immovable property who is legally responsible for the payment of Municipal service charges

"Service charges" means the fees levied by the Municipality in terms of its Tariff Policy for any municipal services rendered in respect of an immovable property and include any penalties, interest or surcharges levied or imposed in terms of these By-laws.

"Service Delivery Agreement" means an agreement between the Municipality and an institution or persons mentioned in section 76(b) of the Local Government Municipal Systems Act 32 of 2000

"Sundry Debtor Accounts" means accounts raised for miscellaneous charges for services provided by the Municipality or charges that was raised against a person as a result of an action by a person and which was raised in terms of Council's Policies, By-laws and decisions.

"Tariff" means any rate, tax, duty and levy or fee which may be imposed by the Municipality for services provided either by itself or in terms of a Service Delivery Agreement.

"Tariff Policy" means a Tariff Policy adopted by the Council in terms of Section 74 of the Local Government: Municipal Systems Act 32 of 2000.

"User" means the owner or occupier of a property in respect of which Municipal Services are being rendered.

PART 1.1 OBJECTIVE: CONSTITUTIONAL OBLIGATIONS

The council of the municipality, in adopting this by-law on credit control and debt collection, recognises its constitutional obligations to develop the local economy and to provide acceptable services to its residents. This is required in terms of MFMA section 64 (2)(a) and MSA 75A(b). It simultaneously acknowledges that it cannot fulfil these constitutional obligations unless it exacts payment for the services which it provides and for the taxes which it legitimately levies – in full from those residents who can afford to pay, and in accordance with its indigence relief measures for those who have registered as indigents in terms of the council's approved indigent management by-law.

PART 2 EXPECTED FUTURE PAYMENT LEVELS

In terms of the budgets approved by the council, and in accordance with commonly accepted best practice, this municipality will have to strive to its utmost to ensure that payment levels for the present and future financial years, in respect of all amounts legitimately owing to the municipality – that is, inclusive of the balance of the monthly accounts payable by registered indigents – are maintained at an annual average of at least 95%. Even with payment levels of 95% it means that the council will annually have to provide on its expenses budget a contribution to bad debts of 5% of the aggregate revenues legitimately owing to this municipality – a contribution which is made at the direct cost of improved service delivery and developmental projects.

- To promulgate credit control and debt collection by-laws which deal stringently with defaulters, but at the same time – through the formal political structures of the municipality, and in the administration's general dealings with the public
- to make the community aware of its legal obligations towards the municipality
- To emphasize the negative consequences for all of non-payment. The municipality's ward committees are particularly charged with this responsibility.

PART 3 NOTICE OF DEFAULT AND INTENDED TERMINATION OR RESTRICTION OF SERVICES

Within 7 (seven) calendar days after each monthly due date for payment of municipal accounts for property rates and/or service charges, the municipal manager shall dispatch to every defaulting accountholder, that is, every accountholder who as at the date of the notice has not paid the monthly account in full or has not made an acceptable arrangement with the municipal manager for partial or late payment, a notice stating that unless full payment is received or an acceptable arrangement made with the municipal manager for partial or late payment, the municipal water supply to the property to which the account in arrears relates shall be terminated or restricted 14 (fourteen) calendar days after the date of the notice concerned.

If no water is provided by the municipality or its agent to the accountholder concerned, the municipal manager shall, after the expiry of twenty eight (28) calendar days after the date of the notice concerned, and provided the arrear account has not been settled or satisfactory arrangements made in terms of part 9 below, immediately proceed with the actions contemplated in part 8 below.

PART 4 RECONNECTIONS OR RE-INSTATEMENT OF RESTRICTED SERVICES

Services to defaulting accountholders terminated or restricted in terms of part 3 above shall be reconnected or reinstated by the municipal manager only when all the following conditions have been met:

- the arrear account has been paid in full, including the interest raised on such account; or an acceptable arrangement has been made with the municipal manager for the payment of the arrear account, including the interest raised on such account;
- the charge(s) for the notice sent in terms of part 3 and for the reconnection or reinstatement of the terminated or restricted service(s), as determined by the council from time to time, have been paid in full;
- a service contract has been entered into with the municipality, as contemplated in part 10 below; and
- a cash deposit has been lodged with the municipal manager in compliance with part 11, such deposit to be newly determined on the basis of 12 kilolitres multiplied by applicable rate for the period.
- In the case of consumers using prepaid meters, but who have fallen into arrears with the remainder of their obligations to the municipality, no prepaid purchases shall be accepted until the outstanding arrears have been settled or an acceptable arrangement made for the payment of the arrear account, as contemplated above: such arrangement may entail the limitation of the amount of prepaid services which may be purchased until the arrears or a stated percentage of the arrears has been settled.

PART 5 PERIODS FOR RECONNECTIONS OR REINSTATEMENTS

The municipal manager shall reconnect or reinstate terminated or restricted services within 24 hours after the date on which the conditions set out in part 4 have been met, unless the municipal manager is unable to do so because of circumstances beyond the control of the municipality. In the latter event the municipal manager shall promptly inform the mayor and the

client of such circumstances and of any actions required to overcome the circumstances concerned.

PART 6 ILLEGAL RECONNECTIONS

The municipal manager shall, as soon as it comes to the notice of the municipal manager that any terminated or restricted service has been irregularly reconnected or reinstated, report such action to the South African Police Service, disconnect or restrict such service(s), and not reconnect or reinstate such service(s) until the arrear account, including the interest raised on such account, the charges for the notice sent in terms of part 3 and the charges for both the original and subsequent reconnection or reinstatement of the service(s) and the revised deposit have been paid in full, together with such penalty as may be determined by the council from time to time. In addition, all metered consumption since the date of the illegal reconnection, or the estimated consumption if a reliable meter reading is not possible, shall also be paid in full before any reconnection or reinstatement is considered.

PART 7 RESTRICTIONS OF SERVICES

If the municipal manager is of the opinion that the termination of services, in the case of a particular property in respect of which the account is in arrear, is not in the best interests of the community – specifically because of the potential endangerment of the life of any person, whether resident in or outside the property concerned – the municipal manager may appropriately restrict rather than terminate the services in question.

PART 8 SERVICES NOT RECONNECTED OR RE-INSTATED AFTER TWO WEEKS

If services have been terminated or restricted in the case of a property in respect of which the account is in arrear, and the accountholder has not paid such arrears, including the interest raised on such account, or made an acceptable arrangement with the municipal manager for the payment of the arrear account, including the interest raised on such account, within a period of twenty eight (28) calendar days after the date of termination or restriction of the service(s) concerned, the municipal manager shall forthwith hand such account over for collection and such further action as is deemed necessary to the municipality's attorneys or any debt collecting agency appointed by the council. Such further action shall include if necessary the sale in execution of such property to recover arrear property rates and service charges (if the accountholder is also the owner of the property). All legal expenses incurred by the municipality shall be for the account of the defaulting accountholder.

PART 9 ARRANGEMENTS FOR PAYMENT OF ARREAR ACCOUNTS

9.1 ARRANGEMENTS FOR PAYMENT OF NORMAL CONSUMER ACCOUNTS

Allowing defaulting accountholders to make arrangements for the payment of arrear accounts shall be at the discretion of the municipal manager or delegated municipal official.

Each defaulting accountholder shall be allowed a maximum period of 3 (three) months within which to pay an arrear account, together with the interest raised on such account, and it shall be a condition for the conclusion of any arrangement that the accountholder is bound to pay every current municipal account in full and on time during the period over which such arrangement extends.

If an accountholder breaches any material term of an arrangement, the balance of the arrear account, together with the balance of interest raised on such account, shall immediately become due and payable to the municipality, and if the accountholder defaults on such payment, the municipal manager shall terminate or restrict water services to the property in question (if such services are provided by the municipality or its agent) and shall forthwith hand such account over for collection as envisaged in part 8.

An accountholder who has breached an arrangement as set out above shall not be allowed to make any further arrangements for the payment of arrear accounts, but shall be proceeded against, after the dispatch of the initial notice of default as envisaged in part 3 and failure by the accountholder to pay the arrear account, together with interest raised on such arrears as required in terms of such notice, as though such accountholder had breached a material term of an arrangement.

Where a "flat rate" or "one rate for all" was applied in charging municipality services and the consumer did not comply with the payment terms applicable in terms of this by-law, the one rate for all by-law shall be discontinued and all outstanding amounts shall be due and payable with immediate effect. A normal tariff by-law will be applicable to the consumers who have defaulted until all outstanding amounts have been settled.

9.2 ARRANGEMENT WITH MUNICIPALITY OFFICIALS FOR THE PAYMENT OF THEIR ACCOUNTS

All accounts for the municipality officials and employees may not be in arrears for longer than 3 months (Municipal Systems Act Schedule 2(10) and Schedule 1(12A)). Where a municipality staff member is in arrears for a period longer than three months, an arrangement will be made to deduct the outstanding amount from the salary of the staff member in total or in regular monthly amounts that may be agreed on. Special incentives to encourage the municipality staff

to enter into such arrangements for payment of outstanding amounts will be offered on discretion of the CFO.

All councillors or ward committees shall not leave their accounts to be in arrears for longer than 3 (three) months. Arrangement should be made with the municipality to pay accounts that are in arrears.

PART 10 SERVICE CONTRACT

A service contract shall henceforth be entered into with the municipality for each property to which the municipality is expected to provide all or any of the following services:

- water
- refuse collection
- sewerage.

Such contract shall set out the conditions on which services are provided and shall require the signatory to note the contents of the municipality's credit control and debt collection by-law, a copy of which shall be provided to such signatory, as well as the provision of the Municipal Systems Act in regard to the municipality's right of access to property.

Where the signatory is not the owner of the property to which the services are to be provided on request, a properly executed letter from such owner indicating that the signatory is the lawful occupant of the property shall be attached to the service contract.

Current consumers and users of the municipality's services who have not entered into a service contract as envisaged above, must do so within 2 years from the date on which the by-laws to implement the present by-law are published, and failure to do so shall be considered as a default equivalent to non-payment in terms of part 3 above.

PART 11 PAYMENT OF DEPOSITS

Whenever a service contract is entered into in terms of part 10, the signatory shall lodge a cash deposit with the municipality, such deposit to be determined as follows:

- a deposit amount shall be equal to 12 kilolitres multiplied by the water tariff rate applicable in that particular period (starting from 1st of July each year and ending 30th of June the following year).
- Rate of deposit will be increased yearly, in line with the approved tariffs.

PART 12 ALLOCATION OF PART-PAYMENTS AND APPROPRIATION OF DEPOSITS

If an accountholder pays only part of any municipal account due, the municipal manager shall allocate such payment with the following steps:

- firstly, to any unpaid charges levied by the municipality in respect of unacceptable cheques, notices, legal expenses and reconnections or reinstatements of services in respect of the account or property concerned;
- secondly, to any unpaid interest raised on the account;
- thirdly, to any unpaid sewerage charges;
- fourthly, to any unpaid refuse collection charges;
- fifthly, to any unpaid property rates; and
- sixthly, to any unpaid water charges.

This sequence of allocation shall be followed notwithstanding any instructions to the contrary given by the accountholder.

In the event of an accountholder's defaulting on the payment of an arrear account, as contemplated in parts 6, 8 and 9, the municipal manager shall forthwith appropriate as much of such deposit as is necessary to defray any costs incurred by the municipality and the arrear amount owing to the municipality in the same sequence that is applicable to the allocation of part payments, as contemplated above.

PART 13 QUERIES BY ACCOUNTHOLDERS

In the event of an accountholder reasonably querying any item or items on the monthly municipal account, no action shall be taken against the accountholder as contemplated in part 3 provided the accountholder has paid by due date an amount equal to the monthly average monetary value of the three most recent unqueried accounts in respect of the service under query, as well as all unqueried balances on such account, and provided further such query is made in writing by the accountholder or is recorded in writing by the municipal manager on behalf of the accountholder on or before the due date for the payment of the relevant account. Any query raised by an accountholder in the circumstances contemplated in part 14 below shall not constitute a reasonable query for the purposes of the present paragraph.

PART 14 INABILITY TO READ METERS

If the municipality is unable to read any meter on any property because the meter has been rendered inaccessible through any act or omission of the accountholder or owner of the property

concerned, the municipal manager shall estimate the consumption of the service concerned by determining the monthly average of the metered consumption recorded on the three most recent accounts in respect of which meter readings were obtained, and thereafter bill the accountholder for the monetary value of such estimated consumption plus a provisional surcharge of 10% of such value for the first month in which the metered reading could not be obtained, escalating to 20% in the second month, 30% in the third month, and so on by 10 percentage points for each subsequent month, until the meter is again rendered accessible. The accountholder shall be liable for the initial payment of such surcharge(s) as though the surcharge were part of the service charge concerned, but the municipal manager shall reverse such surcharge(s) against the first account for which a meter reading is again obtained.

PART 15 DISHONoured AND OTHER UNACCEPTABLE CHEQUES

If an accountholder tenders a cheque which is subsequently dishonoured by or is found to be unacceptable to the accountholder's bankers, the municipal manager shall – in addition to taking the steps contemplated in this by-law against defaulting accountholders – charge such accountholder the penalty charge for unacceptable cheques, as determined by the council from time to time, and such charge shall rank equally with the costs and expenses incurred by the municipality for purposes of determining the sequence of allocations and appropriations contemplated in part 12.

PART 16 DELEGATION OF RESPONSIBILITIES BY MUNICIPAL MANAGER

The municipal manager, including any person acting in such capacity, shall be responsible to the council for the implementation of this by-law and its attendant by-laws but – without in so doing being divested of such responsibility – may delegate in writing all or any of the duties and responsibilities referred to in these by-laws to any other official or officials of the municipality, and may from time to time in writing amend or withdraw such delegation(s).

PART 17 ROLE OF MUNICIPAL MANAGER

Section 100 of the Municipal Systems Act 2000 (see part 24 below) clearly assigns the legal responsibility for implementing the credit control and debt collection policies and by-laws to the municipal manager.

The municipal manager will therefore have to ensure that a proper internal reporting structure is established and consistently implemented so that the day-to-day actions of and results from the credit control and debt collection programme are properly monitored and supervised.

The municipal manager shall report monthly to the mayor and the executive committee, and quarterly to the council on the actions taken in terms of the by-laws, and on the payment levels for the periods concerned. Such reports shall, as soon as practicably possible, provide the required information both in aggregate and by municipal ward.

In addition, such monthly and quarterly reports shall indicate any administrative shortcomings, the measures taken or recommended to address such shortcomings, and any actions by councillors which could reasonably be interpreted as constituting interference in the application of the by-laws.

Notwithstanding all the foregoing references to the accountability of the municipal manager in regard to these by-laws, it is incumbent on all the officials of the municipality, certainly all those who are at management level, as well as more junior officials who are directly or indirectly involved with the community and the municipality's general customer relations, to promote and support both this credit control and debt collection by-law and the application of the attendant by-laws. The responsibilities of all officials include reporting to the municipal manager any evident breaches of these by-laws, whether by members of the community, other officials or councillors of the municipality.

PART 18 ROLE OF COUNCILLORS

Section 99 of the Systems Act 2000 places the important legal responsibility on the mayor and executive committee, of monitoring and supervising the application of the present by-law and the attendant by-laws, and of reporting to the council on the extent and success of credit control actions.

The municipality's ward committees must also be actively involved in implementing the credit control and debt collection programme, and must therefore receive monthly reports on the status of the municipal manager's credit control actions. The ward committees must also actively promote the present by-law, and ensure at the same time that the municipality's customer relations are of a standard acceptable to the community.

In order to maintain the credibility of the municipality in the implementation of the present by-law and the attendant by-laws, it is essential that councillors lead by example. Councillors, by adopting this by-law, therefore pledge, not only their unqualified support for the by-law, but their commitment to ensuring that their own accounts will at no stage fall into arrears (MSA schedule 1(12A)).

PART 19 INTEREST ON ARREARS AND OTHER PENALTY CHARGES

The due date for all municipal accounts is the 7th day of every month.

Interest shall be charged on all arrear accounts at a Prime rate.

In considering each annual budget the council shall review the adequacy of its interest charges, and shall determine the following for the financial year concerned:

- charges for disconnection or restriction of services (part 3)
- charges for reconnection or reinstatement of services (part 4)
- charges for notices of default (part 3)
- penalty charges for illegal reconnections (part 6)
- penalty charges for dishonoured cheques (part 15).

PART 20 INDIGENCY MANAGEMENT

In regard to the payments expected from registered indigents, and the credit control and debt collection actions contemplated in respect of such residents, this by-law must be read in conjunction with the municipality's approved by-law on indigence management.

PART 21 IRRECOVERABLE ARREARS

The effective implementation of the present by-law also implies a realistic review of the municipality's debtor's book at the conclusion of each financial year. The municipal manager shall as soon as possible after 30 June each year present to the council a report indicating the amount of the arrears which it is believed is uncollectable, together with the reasons for this conclusion.

The council shall then evaluate possible means of recovering all unpaid monies, thereafter they will approve the write off of such arrears, if it is satisfied with the explanations provided.

All indigent consumer's accounts will not be written off but will be subsidised by a portion of equitable share.

PART 22 ARREARS WHICH HAVE ARISEN PRIOR TO THE ADOPTION OF THE PRESENT BY-LAW

The council shall separately consider arrears which arose prior to the adoption of the present by-law, and shall advise accountholders of their respective obligations in regard to such arrears. In determining such obligations, the council shall have regard to the quantum of such arrears, to the period over which the default occurred, and to whether the accountholder concerned has registered as an indigent in terms of the municipality's by-law on indigency management. The council shall further consider an incentive scheme which will appropriately encourage accountholders to settle all or a stated percentage of these arrears.

PART 23 BY-LAWS TO BE ADOPTED AND REVISION OF BY-LAW

By-laws shall be adopted to give effect to the council's credit control and debt collection by-law.

The by-laws shall comply with the requirements of the Municipal Systems Act 2000, the Water Services Act 1997 and the Municipal Finance Management Act 2003.

The credit control and debt collection by-law shall be reviewed by the council as part of the process of preparing each annual budget, and any amendments approved of in regard to such by-law shall be consequentially effected in respect of the by-laws.

PART 24 ANNEXURE: LEGAL REQUIREMENTS

It is essential for the protection of the municipality's interests that the provisions of particularly the Municipal Systems Act 2000 and the Property Rates Act 2004, in so far as they provide additional debt collection mechanisms for municipalities, be diligently enforced. At the same time, both the council and the administration must note the obligations which the municipality has towards the community in respect of customer care and relations.

For ease of reference a paraphrase of the relevant extracts from the Municipal Systems Act, specifically Sections 95 to 103 and Section 118, are therefore appended to this by-law, as are Sections 28 and 29 of the Property Rates Act. The immediately relevant extracts from the Water Services Act 1997 and the Municipal Finance Management Act are also included in the annexure.

PART 24 ANNEXTURE PARAPHRASE OF LEGAL REQUIREMENTS

SECTION I: WATER SERVICES ACT NO. 108 OF 1997

SECTION 21: BY-LAWS

The Act requires a municipality, in its capacity as water services authority, to make by-laws which contain conditions for the provision of water services and which provide for the following (inter-alia):

- the standard of the services;
- the technical conditions of supply, including quality standards, units or standards of measurement, the verification of meters, acceptable limits of error and procedures for the arbitration of disputes relating to the measurement of water services provided;
- the determination and structure of tariffs;
- the payment and collection of moneys due for the water services consumed;
- the circumstances under which water services may be limited or discontinued and the procedure for such limitation or discontinuation; and

- the prevention of unlawful connexions to water services works and the unlawful or wasteful use of water.

SECTION II: LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT NO. 32 OF 2000

SECTION 95: CUSTOMER CARE AND MANAGEMENT

A municipality must, in relation to the levying of rates and other taxes, and the charging of fees for municipal services, within its financial and administrative capacity, do the following:

- establish a sound customer management system which aims to create a positive and reciprocal relationship between persons liable for these payments and the municipality itself or (where applicable) a service provider;
- establish mechanisms for users of services and ratepayers to give feedback to the municipality or other service provider with regard to the quality of the services and the performance of the service provider;
- take reasonable steps to ensure that users of services are informed of the costs involved in service provision, the reasons for the payment of service fees, and the manner in which moneys raised from the service are utilised;
- where the consumption of services is measured, take reasonable steps to ensure that the consumption by individual consumers of services is measured through accurate and verifiable metering services;
- ensure that persons liable for payments receive regular and accurate accounts which indicate the basis for calculating the amounts due;
- provide accessible mechanisms for those persons to query or verify accounts and metered consumption, as well as appeal procedures which allow such persons to receive prompt redress for inaccurate accounts;
- provide accessible mechanisms for dealing with complaints from such persons, together with prompt replies and corrective action by the municipality;
- provide mechanisms to monitor the response time and efficiency in complying with the aforementioned requirements; and
- provide accessible pay points and other mechanisms for settling accounts or for making prepayments for services.

SECTION 96: DEBT COLLECTION RESPONSIBILITY OF MUNICIPALITIES

A municipality must collect all moneys that are due and payable to it, subject to the requirements of the present Act and any other applicable legislation. For this purpose, the municipality must adopt, maintain and implement a credit control and debt collection by-law which is consistent with its rates and tariff policies and which complies with the provisions of the present Act.

SECTION 97: CONTENTS OF BY-LAW

The municipality's credit control and debt collection by-law must provide for all of the following:

- credit control procedures and mechanisms;
- debt collection procedures and mechanisms;
- provision for indigent debtors in a manner consistent with its rates and tariff policies and any national by-law on indigents;
- realistic targets consistent with generally recognised accounting practices and collection ratios, and the estimates of income set in the budget less an acceptable provision for bad debts;
- interest on arrears (where appropriate);
- extensions of time for payment of accounts;
- termination of services or the restriction of the provision of services when payments are in arrears;
- matters relating to unauthorised consumption of services, theft and damages; and
- any other matters that may be prescribed by regulation in terms of the present Act.

The municipality, within its discretionary powers, may differentiate in its credit control and debt collection by-law between different categories of ratepayers, users of services, debtors, taxes, services, service standards and other matters, and, if so, must ensure that such differentiation does not amount to unfair discrimination.

SECTION 98: BY-LAWS TO GIVE EFFECT TO BY-LAW

The council of the municipality must adopt by-laws to give effect to the municipality's credit control and debt collection by-law, its implementation and enforcement.

Such by-laws may differentiate between different categories of ratepayers, users of services, debtors, taxes, services, service standards and other matters, and, if so, must ensure that such differentiation does not amount to unfair discrimination.

SECTION 99: SUPERVISORY AUTHORITY

A municipality's executive mayor or executive committee, as the case may be, or – if the municipality does not have an executive committee or executive mayor – the council of the municipality itself, or a committee appointed by the council as the supervisory authority, must do all of the following:

- oversee and monitor the implementation and enforcement of the municipality's credit control and debt collection policies and any by-laws enacted in terms of the foregoing requirements, and the performance of the municipal manager in implementing the policies and by-laws;
- where necessary, evaluate or review the policies and by-laws, and the implementation of such policies and by-laws, in order to improve the efficiency of its credit control and debt collection mechanisms, processes and procedures; and

- at such intervals as may be determined by the council, report to a meeting of the council, except when the council itself performs the duties of the supervisory authority.

SECTION 100: IMPLEMENTING AUTHORITY

The municipal manager, or – where applicable – the service provider must:

- implement and enforce the municipality's credit control and debt collection policies and by-laws enacted in terms of the foregoing requirements;
- in accordance with the credit control and debt policies and any by-laws, establish effective administrative mechanisms, processes and procedures to collect moneys due and payable to the municipality; and

at such intervals as may be determined by the council, report the prescribed particulars to a meeting of the supervisory authority referred to previously.

SECTION 101: MUNICIPALITY'S RIGHT OF ACCESS TO PREMISES

The occupier of premises in a municipality must give an authorised representative of the municipality or of a service provider access at all reasonable times to the premises in order to read, inspect, install or repair any meter or service connexion for reticulation, or to disconnect, stop or restrict the provision of any service.

SECTION 102: ACCOUNTS

Except where there is a dispute between the municipality and the person from whom the municipality has claimed any specific amount, a municipality may:

- consolidate any separate account of such person;
- credit a payment by such person against any account of that person; and
- implement any of the debt collection and credit control measures provided for in the present Act in relation to any arrears on any of the accounts of such person.

SECTION 103: AGREEMENTS WITH EMPLOYEES

A municipality may, within its discretionary powers, but with the consent of any person liable to the municipality for the payment of rates or other taxes or fees for municipal services, enter into an agreement with such person's employer to deduct from the salary or wages of such person any outstanding amounts due by such person to the municipality or such regular monthly amounts as may be agreed to.

The municipality may further, within its discretionary powers, provide special incentives for employers to enter into such agreements and for employees to consent to such agreements.

SECTION 118: RESTRAINT ON TRANSFER OF PROPERTY

The registrar of deeds or any other registration officer of immovable property may not register the transfer of any property other than on the production to such registration officer of a prescribed certificate issued by the municipality in which such property is situated, and which certificate certifies that all amounts due in connexion with such property for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties during the two years preceding the date of application for the certificate have been fully paid.

A municipality may recover, as far as is practicable, all amounts due to it for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties, in preference to any mortgage bonds registered against any property which is to be transferred.

CODE OF CONDUCT FOR MUNICIPAL STAFF MEMBERS

Paragraph 10 of this Code of Conduct stipulates that if any staff member of a municipality is in arrears to the municipality for rates and service charges for a period longer than 3 months, the municipality may deduct any outstanding amounts from such staff member's salary after this period.

CODE OF CONDUCT FOR COUNCILLORS

Section 6A of this code requires councillors to pay all rates, tariffs, rents and other moneys due to the municipality promptly and diligently.

The municipal manager is further required to notify the speaker of the council and the MEC for Local Government, in writing, whenever a councillor has been in arrears with any of these payments for a period exceeding 30 days.

SECTION III: LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT NO. 56 OF 2003

SECTION 64: REVENUE MANAGEMENT

The accounting officer of the municipality is responsible for the management of the municipality's revenues, and must, for this purpose, take all reasonable steps to ensure:

- that the municipality has effective revenue collection systems consistent with Section 95 of the Municipal Systems Act 2000 and the municipality's credit control and debt collection policies;
- that revenues due to the municipality are calculated on a monthly basis;
- that accounts for municipal taxes and charges for municipal services are prepared on a monthly basis, or less often as may be prescribed where monthly accounts are uneconomical;

- that all moneys received are promptly deposited in accordance with the requirements of the present Act, into the municipality's primary and other bank accounts;
- that the municipality has and maintains a management, accounting and information system which recognises revenues when they are due, accounts for debtors, and accounts for receipts of revenues;
- that the municipality has and maintains a system of internal control in respect of debtors and revenues, as may be prescribed;
- that the municipality charges interest on arrears, accept where the council has granted exemptions in accordance with its budget related policies and within a prescribed framework; and
- that all revenues received by the municipality, including revenues received by any collecting agent on its behalf, are reconciled at least on a weekly basis.

The accounting officer must immediately inform the national treasury of any payments due by an organ of state to the municipality in respect of municipal taxes or for municipal services, if such payments are regularly in arrears for periods of more than 30 days.

NOTE: SECTION 164: FORBIDDEN ACTIVITIES

Section 164(1)(c) lists as a forbidden activity the making by a municipality of loans to councillors or officials of a municipality, directors or officials of any municipal entity, and members of the public. It has been assumed for purposes of compiling the credit control and debt collection by-law that allowing any party to pay off arrears of rates and municipal service charges is not tantamount to the making of a loan in terms of Section 164.)

SECTION IV: LOCAL GOVERNMENT: MUNICIPAL PROPERTY RATES ACT NO. 6 OF 2004

SECTION 28: RECOVERY OF RATES IN ARREARS FROM TENANTS AND OCCUPIERS

If the rates owed by a property owner are unpaid by due date, the municipality may recover such rates, either in whole or in part, from any tenant or occupier of the property concerned.

However, the tenant or occupier of the property must first be given written notice of the municipality's intentions, and the amount which the municipality may recover is limited to the amount of rent and other moneys due and unpaid by the tenant or occupier to the property owner concerned.

SECTION 29: RECOVERY OF RATES FROM AGENTS

If it is more convenient for the municipality to do so, it may recover the rates due on a property, either in whole or in part, from the agent of the property owner concerned.

However, the agent must first be given written notice of the municipality's intention, and the amount the municipality may recover is limited to the amount of any rent and other moneys received by the agent on behalf of such property owner, less any commission due to the agent.

APPENDIX C1
MORETELE LOCAL MUNICIPALITY



INDIGENCY MANAGEMENT POLICY

Policy Adoption Date: _____
Policy Number: _____
Resolution Number: _____
Expected review Date: _____
Version control number: _____
Authorized signature: _____

PREAMBLE:

- ✓ The purpose of the policy is to establish strategies to support poverty alleviation within Moretele Local Municipality in line with the changing needs of the community.
- ✓ The policy links with the Council's Credit Control and Debt Collection Policy, Tariff Policy and respective by-laws by providing a support programme for the subsidisation of basic services to indigent households.

THE POLICY OBJECTIVES

The objective of this policy will be to ensure the following:

- ✓ The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council.
- ✓ Establish the framework for the identification and management of indigent households.
- ✓ The provision of procedures and guidelines for the subsidisation of basic charges to indigent households.

LEGISLATIVE FRAMEWORK

The policy is based on the following legislation:

- ✓ Constitution of the Republic of South Africa Act, Act no. 108 of 1996 (Section 27).
- ✓ Municipal Systems Act, Act 32 of 2000.
- ✓

QUALIFICATION CRITERIA

- ✓ Persons who are claiming indigent status (i.e. an inability to pay assessment rates and service accounts in full) must qualify in terms of the following criteria:
 - Must be a resident of Moretele Local Municipality.
 - Must be in possession of a valid South African identity document.
- ✓ Households earning an equivalent of or less than two times the Government pension grant (R2 220) even when receiving any other Government grants.
- ✓ Must be the owner or tenant who receives Municipal services and is registered as an account holder on the Municipal financial system and must not be in possession of more than one property.
- ✓ Must have an active Municipal Account.

Comment {snv1}: WILL INCREASE:
AS PER NATIONAL BUDGET

TABLE OF CONTENTS

PART 1	OBJECTIVE	4
PART 2	CRITERIA AND PROCESS FOR IDENTIFYING INDIGENTS	4
PART 3	APPLICATION OF THE POLICY	5
PART 4	NON-COMPLIANCE OF HOUSEHOLDS REGISTERED AS INDIGENT	5
PART 5	PENALTIES FOR FRAUDULENT INFORMATION	6
PART 6	REPORTING REQUIREMENTS	7
PART 7	PROMULGATION OF BY-LAWS AND REVIEW OF POLICY	7

PART 1 OBJECTIVE

Because of the level of unemployment and subsequent poverty in the municipal area, there are households which are unable to pay for normal municipal services. The municipality therefore adopts this indigency management policy to ensure that these households have access to at least basic municipal services, and is guided in the formulation of this policy by the national government's policy in this regard.

PART 2 WHO QUALIFIES FOR INDIGENT SUPPORT

Persons who are claiming indigent status (i.e. an inability to pay assessment rates and service accounts in full) must qualify in terms of the following criteria:

- ✓ Must be a south African citizen
- ✓ Must be a resident of Moretele Local Municipality.
- ✓ Must be in possession of a valid South African identity document.
- ✓ Must be the owner or tenant who receives Municipal services and is registered as an account holder on the Municipal financial system and must not be in possession of more than one property.
- ✓ Must have an active Municipal Account.
- ✓ A household whose combine gross monthly income of all members over 18 years of age must not exceed R2 220 per month.
- ✓ He/she must own one property in South Africa.
- ✓ The applicant must be a registered owner of the house/property.
- ✓ If an indigent consumer has attained the age of 60 years on or after a current financial period, he/she should automatically qualify for renewal as an indigent consumer for all subsequent years (no annual renewal is necessary).

Comment [snv2]: THE APPLICABLE AMOUNT TO BE ALIGNED WITH TWO STATE PENSIONS COMBINED. THE NEW COMBINED INCOME IS R2520.00

Relief for qualifying households:

Indigent households will qualify for a subsidy on property rates and service charges for sewerage and refuse removal, and will additionally receive 6 kilolitres of water per month free of charge.

Qualifying households and child headed households where the accountholder or property owner has registered as indigent in terms of the municipality's annual registration programme, and whose registration has been accepted and entered into the register of indigents, shall qualify for the above concessions.

For a household to qualify for subsidies or rebates on the major service charges (see part 3 below), the registered indigent must be the full-time occupant of the property concerned, and if also the owner of the property concerned, may not own any other property, whether in or out of the municipal area.

For a household to qualify for a rebate on rates, the registered indigent must be both the owner and fulltime occupant of the property concerned, and may not own any other property, whether in or out of the municipal area.

Indigency relief shall apply for a period not extending beyond the financial year in which the particular household is registered as indigent. Registration must be renewed in each registration programme if relief is to continue.

To register as an indigent, the relevant property owner or accountholder must personally complete and sign the registration form provided by the municipality for this purpose, and furnish such further documentation as the municipality specifies. The municipal manager will provide assistance to persons who cannot read or write, at such times and places as are specified in the notices published to indicate that the registration programme is to take place. Registration will take place on dates and at times and places determined by the council from time to time.

PART 3 APPLICATION OF THE POLICY

The subsidies on rates and the specified service charges will be determined as part of each annual budget and in terms of the municipality's policies on property rates and tariffs.

In respect of water, a 100% subsidy of the fixed availability charge and of metered consumption up to 12 kilolitres per household per month will apply; however, if consumption exceeds 12 kilolitres per metering period (month) the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding 6 kilolitres. If unmetered water is provided, a 100% subsidy of the fixed availability charge will apply.

Comment [snv3]: THE FIRST 6KL APPLIES ACROSS BOARD AS PER GOVERNMENT BASIC SERVICE LEGISLATION. ALL WILL APPLY A FURTHER 6 KL FOR INDIGENTS.

In respect of sewerage charges and charges for household refuse removal, the relief granted shall be determined in each annual budget, in accordance with the municipality's means.

In respect of property rates, the rebate shall be 100% of the rates based on the rateable value up to R30 000 and 75% of the rates based on the rateable value above R30 000.

Comment [snv4]: THIS WILL BE APPLIED. IT IS NOT AN AMENDMENT

PART 4 NON-COMPLIANCE OF HOUSEHOLDS REGISTERED AS INDIGENT

When a property owner or accountholder who has registered as an indigent fails to comply with any arrangements or conditions materially relevant to the receipt of indigency relief, such person will forfeit his or her status as a registered indigent with immediate effect, and will thereafter be treated as an ordinary residential property owner or accountholder for the financial year concerned.

The onus is on each registered indigent consumer to advise the municipal manager. Failure to advise the municipal manager will result in a person losing the classification as an indigent consumer and thus he/she will be liable for the services in full.

Certain households may fall into arrears in respect of the amounts due by them. The property owner or accountholder concerned will have to make immediate arrangements with the municipal manager to pay off these arrears owing within a reasonable time as determined by the municipal manager in terms of the municipality's credit control and debt collection policy. If these arrangements are not made, no subsidies will be paid or free services provided, and services may be restricted in terms of the municipality's credit control and debt collection policy.

The relief to indigents may be withdrawn at the discretion of the municipal manager if:

- ✓ a registered indigent who qualifies for such relief fails to keep to the terms of the policy agreement; or
- ✓ Any tampering with the installations of the municipality is detected.
- ✓ If an indigent household exceeds the allocated relief, the municipality will impose restrictions.
- ✓ Change in indigent status without informing the municipality

PART 5 PENALTIES FOR FRAUDULENT INFORMATION

If a registered indigent is found to have provided fraudulent information to the municipality in regard to any material condition for registration as an indigent, such person shall immediately be removed from the register of indigents, and shall be liable to repay to the municipality with immediate effect all indigency relief received from the date of such fraudulent registration. Moreover, such person may not again be considered for indigency relief for a period extending for 5 (five) years beyond the financial year in which the misdemeanour is detected.

If an indigent household exceeds the allocated relief of 6 kilolitres, the municipality will impose restrictions. Should this also be exceeded, then the municipality would charge for the over consumption.

Indigency relief will not apply in respect of property owners owning more than one property, whether in or outside the municipal area.

PART 6 REPORTING REQUIREMENTS

The municipal manager shall report on a monthly basis to the mayor and executive committee, for the month concerned and by municipal ward:

- ✓ the number of households registered as indigents and a brief explanation of any movements in such numbers;
- ✓ the monetary value of the actual subsidies and rebates granted;
- ✓ the budgeted value of the subsidies and rebates concerned; and the above information cumulatively for the financial year to date.

The executive committee shall submit the above reports on a quarterly basis to the council and to the municipality ward committees.

PART 7 PROMULGATION OF BY-LAWS AND REVIEW OF POLICY

The council shall ensure that by-laws are promulgated to give effect to this policy.

The council shall further review this policy as part of the process of preparing each annual budget, and any amendments to such policy shall be consequentially effected in the water and sanitation by-laws.

Policy enforcement and administration:

- ✓ The onus is on the indigent household to report any improvement/ changes to their economic life situation to the municipality.
- ✓ The ward councillor with the assistance of the ward committee will continuously monitor the situation and update an indigent register in the ward.
- ✓ The gathering of indigent data and application is the responsibility of the councillors, assisted by the administration office with logistical matters.
- ✓ Councillors will approve the application forms as verification and authorization that the indigent subsidy may be granted to the applicant.
- ✓ The finance department will do due diligence to make sure that the particular report is evaluated and monitored.

FREE BASIC SERVICES

Free Basic Services will be defined in the following Council policy documents:

- ✓ Credit Control and Debt Collection
- ✓ Subsidised rates and refuse removal
- ✓ Free Basic Water
- ✓ Free Basic Electricity
- ✓ Free Basic Sanitation

Free basic alternative energy, such as coal, solar panels, paraffin, primer stoves

REPORTING AND QUALITY CONTROL

Quarterly reports shall be submitted by the Directorate: Community Services, with financial implications to relevant Portfolio Committees and to the Executive Committee on progress made and any changes in the status of registered indigents.

EXTENT OF MONTHLY INDIGENT SUPPORT

The extent of the monthly indigent support granted by Council to indigent households in the Municipal area will be determined based on budgetary allocations for a particular financial year and the tariff increases for that specific financial year. This should be based on the amount of an average monthly service account as indicated in the National Allocation Guideline as reviewed annually (Equitable share) stated as follows:

- ✓ Water
- ✓ Refuse collection
- ✓ Electricity
- ✓ Sewerage
- ✓ House rentals
- ✓ Assessment rates on residential property

The subsidy for the above should be in line with the Municipality's tariffs which will change from time to time as tariffs increase.

The following forms of assistance could also be given to indigent households:

- ✓ The accounts of successful applicants should be flagged to prevent credit control measures.
- ✓ No interest should be charged on arrears.
- ✓ The accrued arrears of an indigent household should be placed in suspense account and be reviewed annually.
- ✓ The account of an indigent household that applied for an Indigent Grant should be credited with an amount totalling the amount as approved by the Council.
- ✓ The Municipality reserves the right to install prepaid meters in all the households classified as indigent.
- ✓ The accounts of indigent consumers may be written off after a consideration and motivation by each councillor and the finance department.

SHORT-TERM ASSISTANCE

An indigent person in incidental distress may be assisted for a shorter period not exceeding six months. Incidental distress will mean a person that is:

- Temporarily unemployed.
- Persons who are hospitalised.
- ✓ Such persons qualify for assistance if they are not in receipt of any assistance from any other source.

- ✓ Indigent people falling within this category will be re-assessed on a three monthly basis.

PROCESS MANAGEMENT

Validity Period

- ✓ Validity period of assistance for no income households will be for a maximum period of 12 month of the financial year. Households must re-apply at the end of a 12 months period (June of a prior year– July of the current year).
- ✓ State pensioners need not reapply as they qualify by virtue of them being aged.
- ✓ Reapplication process to start in April of each year.

Comment [snv5]: specifying

Comment [snv6]: Specifying the period

Comment [snv7]: Addition as it was not specified previously.

Comment [snv8]: New addition

DEATH OF REGISTERED APPLICANT

In the event that the approved applicant passes away the heir/s of the property must re-apply for indigent support, provided that the stipulated criteria are met.

Publication of Register of Indigent Households

Names of indigent beneficiaries must be open for public perusal and comment. Written objections from the public must be referred to the Directorate: Community Services who will be responsible for investigating the validity of the complaint and referral to the Directorate: Finance for appropriate action.

UNDER-USAGE OF ALLOCATION

If the level of consumption of the indigent household is less than the consumption level approved by the Municipality, the household cannot claim or accrue the unused portion, be it in cash or rebates.

AUDITING AND REPORTING

A three monthly auditing must be conducted regarding the indigent register, usage rate of allocations and credit control measures.

Moretele Local Municipality



2013/2014 PROPOSED SCHEDULE OF RATES AND TARRIFS

The proposed tariffs is to be increased with 5% (rounded off)for the 2013/14 financial year for existing tariffs where applicable and where new tariffs have been applied, the application was done through benchmarking with neighboring municipalities and previous tariffs.

1. Refuse Removal

Description	2012/2013	2013/2014
Residential	R26.50	R26.50
Business and Government Institution	R53.00	R53.00

2. Sewerage

Description	2012/2013	2013/2014
Residential	R26.50	R26.50
Business and Government Institution	R37.00	R37.00

3. Water provision

3.1 Yard Connection

Description	2012/2013	2013/2014
15mm(Yard Connection)	R1278.36 per house	R1300.00 per house
20mm(Yard connection)	R1381.18 per house	R1400.00 per house
25mm(Yard connection)	R1491.42 per house	R1500.00 per house
40mm(Yard connection)	R1611.20 per house	R1650.00 per house

3.2 Domestic Consumption (Metered Consumers)

Description	2012/2013	2013/2014
Fixed Monthly Charges (flat rate)	37.10 per month	37.10 per month
0- 6kl	R0.00	R0.00
6.1-45 kl	R5.98 per kiloliter	R5.98 per kiloliter
45.1 and above	R6.73 per kiloliter	R6.73 per kiloliter

3.3 Domestic Consumption (Communal stand pipe)

Description	2012/2013	2013/2014
Fixed Monthly- Flat Rate	R0	R50.00 per month

3.4 Business and Industrial Consumers

Description	2012/2013	2013/2014
Fixed Monthly Charges (flat rate)	37.10 per month	37.10 per month
0 - 6kl	R0.00	R0.00
6.1 - 45 kl	R5.98 per kiloliter	R5.98 per kilo
45.1 and above	R6.95	R6.95 per kilo

3.5 Water delivery to households through water tanker

Delivery for funeral ceremonies

Delivery for birthday

3.6 Industrial and large consumption that is not included in the Domestic Consumption

Description	2012/2013	2013/2014
0.6 Kiloliters	R0.00	R0.00
6.1 kl and above	R6.56	R6.56

4. CEMETRY

4.1 Extra Costs on Request

Description	2012/2013	2013/2014
Digging of an adult grave	R636	R670
Digging of a child grave	R424	R450
Trimming or brick walling per adult grave	R848	R890
Trimming or brick walling per	R530	R560

child care		
------------	--	--

4.2 All request from outside the jurisdiction Area

Description	2012/2013	2013/2014
Adult burial	R1590	R1670
Child burial	R742	R779

4.3 Community Halls and Libraries.

Description	2012/2013	2013/2014
Library Fee (joining fee)	R42.00	R45.00
Hall Bookings (with gate takings)	R636.00	R670.00
Hall Bookings (with no profit factor – NPO’S)	R424.00	R445.00
Hall Bookings (Business Organizations)	R530.00	R560.00

4.4 Sundry Charges

Description	2012/13	2013/14
Photocopy	R0.53	R1.00
Print outs	R1.06	R1.50
Clearance certificates	R47.70	R50.00

4.5 Advertising

Description	2012/2013	2013/2014
Posters and leaflets	R318.00	R335.00
Billboards advert per month	R636.00	R670.00

NB. No private posters will be allowed to be pasted without municipal authorization.

4.6 Registration on Municipality Supplier Database

Description	2012/2013	2013/2014
Local Suppliers	R159.00 per company	R170.00 per company
Suppliers outside the Municipality	R265.00 per company	R280.00 per company

5. Machinery and Equipment Hire

Description	2012/2013	2013/2014
Hiring of TLB per hour	R432.48	R465.00
Hiring of Grader per hour	R432.48	R465.00
Hiring of smooth roller per hour	R246.98	R260.00
Hiring of Low-bed per kilometer	R20.14	R21.00
Hiring of tipper truck per kilometer	R14.48	R15.00
Hiring of tractors per h/a (FARMING)	R180.00	R300.00
Hiring of tractors (Residential)	N/A	R190.00

6. Recreational Facilities Hire

Description	2012/2013	2013/2014
Hiring of Stadium	N/A	R380.00
Hiring of Park	N/A	R50.00 p/hour R500 full day event.
Gym membership affiliation per month	N/A	R200.00

7. Assessment Rates

All ratable properties and improvements shall be rated on an annual base and may be broken down into monthly payments.

Description	Rates 2012/2013	Rates 2013/2014	Rebate
Residential	R0.001 in the Rand on Market Value of any land and improvements	R0.001 in the Rand on Market Value of any land and improvements	The first R15000.00 is exempted.
Agricultural Properties including small holdings	R0.001 in the Rand on Market Value of any land and improvements	R0.001 in the Rand on Market Value of any land and improvements	Phasing in period as per MPRA.
Government properties	R0.040 in the Rand on Market Value of any land and improvements	R0.060 in the Rand on Market Value of any land and improvements	30% rebate on state owned properties
Mining	R0.030 in the Rand on Market Value of any land and improvement	R0.050 in the Rand on Market Value of any land and improvement	No rebate
Public Service Infrastructures .e.g. Eskom, Telkom ,MTN , Vodacom,	R0.030 in the Rand on Market Value of any land	R0.040 in the Rand on Market Value of any land	No rebate

Cell-C and telecommunications installations	and improvement	and improvement	
Business	R0.030 in the Rand on the Market Value of any land and improvement	R0.035 in the Rand on the Market Value of any land and improvement	No rebates
Holiday resorts, Hotels, entertainments centers and shopping centers.	R0.030 in the Rand on the Market Value of any land and improvement	R0.035 in the Rand on the Market Value of any land and improvement	No rebates
Industrial undertaking	R0.040 in the Rand on the Market Value of any land and improvement	R0.050 in the Rand on the Market Value of any land and improvement	No rebates

All ratable properties under the Tribal Management whether registered in the name of the Tribe or in the name of the RSA Government will be fully remissioned from the property rates but excludes the following properties:

State and Parastatal owned institutions like Hospitals ,Schools, Clinics ,Tertiary , Educational Institutions, Administration buildings, magistrate courts, PSI's (as defined above)military bases and buildings , including dwelling houses for such institutions and infrastructure or any rights in Land and improvement on such land and pertaining to such rights in land including commercial and industrial buildings, offices, garages and shipping centers.

8. Water Delivery to households through water tankers

Description	2012/2013	2013/2014
Funerals Flat rate R 82.00 Plus Kiloliters.	R13.62 per kl	R15.00
Weddings ,Funerals and family requests R93.00 plus Kiloliters	R16.91 per kl	R18.00

NEW SERVICES

PROPOSED FINE SCHEDULE FOR THE BUILDING CONTROL DIVISION

CONTRAVENTIONS I.T.O NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 1977 (ACT 103 OF 1977), AS AMENDED

SECTION	CHARGE DESCRIPTION	PROPOSED FINES
Section 4(1)	Erecting building without consent	R100,00 for each day on which accused was engaged in erecting such

		building
Section 10(1)(a) read together with Section 10(2)	Erecting building or doing earthworks that is objectionable	R100,00 for each day on which accused so failed
Section 10(1)(b) read together with section 10(2)	Erecting building on site subject to flooding or filled with refuse	R100,00 for each day on which accused so failed
Section 12(1) read with section 12(6)	Failure to comply with notice issued in terms of section 12(1)	R100,00 for each day on which accused so contravened
Section 12(2) read with section 12(6)	Failure to notify local authority of dangerous building	R100,00 for each day on which accused so contravened
Section 12(3) read with section 12(6)	Failure to comply with notice issued in terms of section 12(3)	R100,00 for each day on which accused so contravened
Section 12(4) read with section 12(6)	Failure to comply with notice in terms of section 12(4)	R100,00 for each day on which accused so contravened
Section 14(4)	Occupation of a building without occupancy certificate	R2000,00

**REGULATIONS I.T.O NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT,
1977 (ACT 103 OF 1977)**

REGULATIONS	CHARGE DESCRIPTION	PROPOSED FINES
Reg. A15(5) of the NBRs	Failure to maintain mechanical equipment	R2000.00
Reg. A18(4) of the NBRs	Practicing plumbing without qualification	R2000.00
Reg. A18(5) of the NBRs	Unsupervised plumbing work	R2000.00
Reg. A22(1) of the NBRs	Failure to notify local authority on commencement of building work	R2000.00
Reg. A22(2) of the NBRs	Failure to notify the local authority regarding inspections	R2000.00
Reg. A22(3) of the NBRs	Proceeding building work without inspections	R2000.00
Reg. A25(1) of the NBRs	Using building for other purposes	R2000.00
Reg. A25(2) of the NBRs	Failure to comply with notice regarding illegal use	R2000.00
Reg. A25(5) of the NBRs	Deviation from the approved plans	R2000.00
Reg. A25(6) read together with Reg. A25(11) of the NBRs	Failure to comply with notice to stop erection of building	R2000.00
Reg. A25(10) of the NBRs	Non-compliance with a notice served in terms of Reg.A25(10)	R2000.00
Reg. D4(1) read together with Reg. D4(2) of the NBRs	Failure to control access to a swimming pool	R2000.00
Reg. E4 of the NBRs	Failure to comply with demolition requirements	R2000.00
Reg. F1 of the NBRs	Failure to safeguard the site	R2000.00
Reg. F1(4) of the NBRs	Failure to confine the building operations within site	R2000.00

	boundaries	
Reg. F6 of the NBRs	Failure to control dust and noise on site	R2000.00
Reg. F7 of the NBRs	Failure to comply with notice regarding testing and inspection of work	R2000.00
Reg. F8 of the NBRs	Failure to comply with notice regarding excessive waste	R2000.00
Reg. F9 of the NBRs	Failure to remove surplus material	R2000.00
Reg. F10 of the NBRs	Conditions and use of builders sheds	R2000.00
Reg. F11 of the NBRs	Failure to provide adequate sanitary facilities on site	R2000.00
Reg. G1 of the NBRs	Precautions for safety and stability of excavation	R2000.00
Reg. P1(1) of the NBRs	Failure to provide suitable drainage	R2000.00
Reg. P1(2) of the NBRs	Failure to connect to sewer system	R2000.00
Reg. P3(1)(a) of the NBRs	Sewage discharged into the storm water drain	R2000.00
Reg. P3(1)(b) of the NBRs	Sewage discharged into natural watercourse	R2000.00
Reg. P3(1)(c) of the NBRs	Sewage discharged into the street	R2000.00
Reg. P3(2) of the NBRs	Storm water entering drainage system	R2000.00
Reg. P3(3) of the NBRs	Notice regarding objectionable discharge	R2000.00
Reg. P3(4) of the NBRs	Discharging pool water onto other property	R2000.00
Reg. P4 of the NBRs	Industrial effluent installation deviates from approved plans	R2000.00
Reg. P5(1) and P5(2) of the NBRs	Failure to seal disconnected drainage and/or soil pipes	R2000.00
Reg. P5(3) of the NBRs	Failure to notify authority about disconnection or interference with drain	R2000.00
Reg. P6(1) of the NBRs	Unauthorized connection or interference with drain	R2000.00
Reg. P7(3) of the NBRs	Using drain before inspection and approval	R2000.00
Reg. T1(1)(e) of the NBRs	Failure to provide adequate fire protection	R2000.00
Reg. T2(1) of the NBRs	Fire extinguisher not SABS specification	R2000.00
Reg. T2(1) of the NBRs	Fire extinguisher installation	R2000.00
Reg. T2(1) of the NBRs	Fire extinguisher maintenance	R2000.00
Reg. T2(1) of the NBRs	Fire extinguisher service	R2000.00
Reg. T2(2) of the NBRs	Hindering or preventing escape from a building in case of fire	R2000.00

**DETERMINATION OF CHARGES PAYABLE TO THE MORETELE LOCAL AUTHORITY
WITH REGARD TO THE EXAMINATION AND APPROVAL OF BUILDING PLANS AND
RELATED MATTERS**

SCHEDULE

PART A

CHARGES PAYABLE TO THE MORETELE LOCAL MUNICIPALITY FOR THE
EXAMINATION AND APPROVAL OF BUILDING PLANS:

1. The tariff for the examination and approval of building plans for all buildings, including outbuildings, covered stoeps, verandas, and car-ports:
 - (a) For new buildings: R67,50 per 10m² or part thereof subject to a minimum levy of R196,60 per application
 - (b) For Additions: R67,50 per 10m² or part thereof subject to a minimum levy of R196,60 per application
 - (c) For Alterations: R67,50 per 10m² or part thereof subject to a minimum levy of R196,60 per application
 - (d) For Amended plans: R67,50 per 10m² or part thereof, applicable to that part of the building where amendments are made/take place, subject to a minimum levy of R196,60 per application
 - (e) For New Proposals/Re-Design: R67,50 per 10m² or part thereof subject to a minimum levy of R196,60 per application
 - (f) For the Renewal of plans where the approval of such plan has lapsed in terms of Section 7(4) of the National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977), as amended: R67,50 per 10m² or part thereof subject to a minimum levy of R196,60 per application
 - (g) For the examination of preliminary building sketch plans, as contemplated in Regulation A(3) of the National Building Regulations: R33,70 per 10m² or part thereof subject to a minimum levy of R196,60 per application
 - (h) For Courtesy Building Plans (Government and Local Authority): No Fee, but must comply fully with Section 2, Application of Act, of the National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977) with notable reference to Section 2(4)
 - (i) For Low Cost Housing Projects by Government and/or Local Authority: No Fee
 - (j) For the consideration of an application to commence or proceed with the erection of a building before the granting of approval, as contemplated in Section 7(6) of the National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977), as amended: R33,70 or part thereof, subject to a minimum levy of R196,60 per application
 - (k) For the consideration of an application to use a building before the certificate of occupancy has been issued, as contemplated in Section 14(1A) of the National Building Regulations and Building Standards Act 1977 (Act 103 of 1977), as amended: R33,70 per 10m² or part thereof, subject to a minimum levy of R196,60.
 - (l) For the consideration of an application to demolish or cause or permit to demolish a building as contemplated in Regulation E1(1) of the National Building Regulations: R33,70 per 10m² or part thereof, subject to a minimum levy of R196,60.
 - (m) For the construction of a swimming pool: R196,60

- (n) For the authorization to carry out minor building work as contemplated in Section 13 of the National Building Regulations and Building Standards Act 1977 (Act 103 of 1977), as amended: R106,70
 - (o) For re-roofing: R196,60 per application
 - (p) For the erection of antennae and/or masts:
 - i. Ground Based: R390,00
 - ii. Roof Top Based: R196,60
 - (q) For the erection of free standing and/or boundary walls: R196,60
2. The minimum charges payable for examination or approval of any building related applications shall be R196, 60.
 3. The maximum charges payable for the examination or approval of building plans applications shall be R6460,70
 4. The refundable deposit for the demolition of buildings/structures having an area of more than 10m² shall be R1853,90
 5. The refundable deposit (building refuse removal) of R1573, 00 shall be payable on submission of plans for dwelling houses, swimming pools.
 6. The refundable deposit (building refuse removal) of R3595, 50 shall be payable on submission of plans for business, industrial and commercial buildings
 7. The refundable deposit (building refuse removal) of R393, 30 shall be payable on submission of any application declared as minor building work as defined in the National Building Regulations

PART B

CHARGES PAYABLE TO THE MORETELE LOCAL MUNICIPALITY, OTHER THAN THOSE FOR THE EXAMINATION AND APPROVAL OF BUILDING PLANS:

1. The charges payable, other than those for the examination and approval of building plans, shall be as follows:
 - (a) For the consideration of an application to erect a verandah over municipal property: R200,00 per application together with a levy of R3,00/m² or part thereof.

Provided that –

- An application may only be for a period of maximum one (1) year, whereupon an application for renewal may be made.
- In respect of rental for a verandah over municipal property, the charges shall be R5/m² per month or part thereof, calculated on the area of the municipal property covered by such verandah.
- A minimum charge of R75,00 per month or part thereof shall be applicable

- (b) For a re-inspection, owing to defective work or any negligence on the part of the application, or if it is found that the building work is not ready for an inspection after such an inspection has been requested: R100,00 in respect of each inspection
 - (c) For a copy of a notice of approval: R11,00 per copy
2. Administrative charge for submission of building plan applications regarding Unauthorized Work after a notice has been served in terms of the National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977), as amended: Five (5) × Plan Fee (Additional to plan fee).

DETERMINATION OF CHARGES PAYABLE TO THE MORETELE LOCAL AUTHORITY WITH REGARD TO THE SUBMISSION AND APPROVAL OF LAND USE APPLICATIONS AND RELATED MATTERS

SCHEDULE A

1. The charges for the evaluation and approval of land use applications shall be as follows:
- (a) Rezoning applications: R1325,80
 - (b) Departure application: R669,70
 - (c) Subdivision application: R 1325,80

PROPOSED BUDGET FOR THE DIVISION

Project Description	Amount
Compilation/Reviewal of SDF	R500 000,00
Compilation of Town Planning Scheme	R500 000,00
Building Codes (SANS Documents)	R10 000,00
Office equipments	R12 000,00
Land Surveying and town planning costs for church erven and allocations	R250 000,00

9. Other

For all miscellaneous items, please consult the office of the Municipal Manager. The Schedule of building properties are attached separately.

To note – our offices are open between 7H30 and 16h00 daily, payments can be made at the municipal offices and with Ward Cashiers. Please always request for proof of payment. All municipal accounts are payable on or before the 7th of every month,



NATIONAL TREASURY

MFMA Circular No. 67

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2013/14 MTREF

This circular provides further guidance to municipalities and municipal entities for the preparation of their 2013/14 Budgets and Medium Term Revenue and Expenditure Framework (MTREF). It must be read together with all previous MFMA Budget Circulars.

CONTENTS

1	KEY FOCUS AREAS FOR THE 2013/14 BUDGET PROCESS	2
2	DIVISION OF REVENUE BILL 2013	3
2.1	ADDITIONAL ALLOCATIONS TO LOCAL GOVERNMENT 2013	3
2.2	IMPACT OF CENSUS 2011	4
2.3	LOCAL GOVERNMENT EQUITABLE SHARE REVIEW	5
3	MACRO-ECONOMIC PERFORMANCE AND PROJECTIONS	7
3.1	INFLATION FORECASTS	7
3.2	EMPLOYEE RELATED COSTS	7
4	REVISING RATES, TARIFFS AND OTHER CHARGES	8
4.1	ESKOM BULK TARIFF INCREASES	8
4.2	INCLINING BLOCK TARIFFS (IBT) FOR ELECTRICITY	8
4.3	PROCESS FOR NERSA APPROVAL OF MUNICIPAL ELECTRICITY TARIFFS	9
5	REPORTING	10
5.1	UNBUNDLING OF DEBTORS FIGURES	10
5.2	INVESTMENTS	10
5.3	VARIANCES BETWEEN 4 TH QUARTER SECTION 71 RESULTS AND ANNUAL FINANCIAL STATEMENTS	11
5.4	APPROPRIATION STATEMENT (RECONCILIATION: BUDGET AND IN-YEAR PERFORMANCE)	11
5.5	ADDITIONAL IN-YEAR REPORTING REQUIREMENTS	12
5.6	MUNICIPAL WATER INFRASTRUCTURE GRANT AND NON-REVENUE WATER	12
5.7	INTEGRATED CITY DEVELOPMENT GRANT	13
6	FUNDING CHOICES AND MANAGEMENT ISSUES	13
6.1	BENEFITS TO COUNCILLORS AND MAYORS	13
6.2	CELLULAR TELEPHONE (MOBILE) AND DATA CONTRACT POLICY	14
7	CONDITIONAL TRANSFERS TO MUNICIPALITIES	14
7.1	TIMING OF MUNICIPAL CONDITIONAL GRANT TRANSFERS	15
7.2	PAYMENT SCHEDULE FOR TRANSFERS	16
7.3	PROVINCIAL PAYMENT SCHEDULES	16
7.4	RESPONSIBILITIES OF TRANSFERRING AND RECEIVING AUTHORITIES	16
7.5	UNSPENT CONDITIONAL GRANT FUNDS FOR 2012/13	16
7.6	CRITERIA FOR THE ROLLOVER OF CONDITIONAL GRANT FUNDS	17
7.7	REPORTING AND ACCOUNTING FOR MUNICIPAL APPROVED CONDITIONAL GRANT ROLL-OVERS	18
8	THE MUNICIPAL BUDGET AND REPORTING REGULATIONS	18
8.1	ASSISTANCE WITH THE COMPILATION OF BUDGETS	19
8.2	BUDGET COMPLIANCE AND BENCHMARKING PROCESSES	19
8.3	CERTIFICATION THAT BUDGET IS CORRECTLY CAPTURED	20
9	BUDGET PROCESS AND SUBMISSIONS FOR THE 2013/14 MTREF	20
9.1	SUBMITTING BUDGET DOCUMENTATION AND SCHEDULES FOR 2013/14	20
9.2	BUDGET REFORM RETURNS TO THE LOCAL GOVERNMENT DATABASE FOR PUBLICATION	21
9.3	PUBLICATION OF BUDGETS ON MUNICIPAL WEBSITES	22
9.4	PUBLICATION OF MUNICIPAL BUDGETS ON NATIONAL TREASURIES WEBSITE	22
	ANNEXURE A – CHANGES TO SCHEDULE A1	24
	ANNEXURE B – APPROPRIATION STATEMENT (RECONCILIATION: BUDGET AND IN-YEAR PERFORMANCE)	25

1 Key focus areas for the 2013/14 budget process

The 2013 Budget Review notes that spending plans outlined in the 2013 Budget continue to support government's commitment to broadening service delivery and expanding investment in infrastructure, while taking account of the constrained fiscal environment. South Africa's economy has continued to grow, but at a slower rate than projected at the time of the 2012 Budget. GDP growth reached 2.5 per cent in 2012 and is expected to grow at 2.7 per cent in 2013, rising to 3.8 per cent in 2015. Inflation has remained moderate, with consumer prices rising by 5.7 per cent in 2012 and projected to increase by an average of 5.5 per cent a year over the period ahead.

Municipalities are reminded that the economic outlook is, however constrained by a difficult global environment and domestic restructuring. Due to lower-than-projected economic growth and revenue underperformance, government has adjusted the spending plans presented in the 2012 Medium Term Budget Policy Statement. Savings have been made at every level of government to moderate the fiscal deficit while supporting economic recovery. Expenditure has been trimmed in areas that will not adversely affect service delivery, or where programmes are underperforming. Within this economic climate the budget framework still provides for average annual real growth in consolidated government spending of 2.3 per cent over the MTEF period.

The medium-term expenditure framework (MTEF) uses the National Development Plan (NDP) as a point of departure. The NDP sets out an integrated strategy for accelerating growth, eliminating poverty and reducing inequality by 2030. The NDP supported by the New Growth Path and other programmes provides a platform to look beyond the current constraints to the transformation imperatives over the next 20 to 30 years. The NDP emphasises the need to lower the cost of living for households and reduce the cost of doing business for small and emerging enterprise. These objectives need to take into account fiscal sustainability, which ensures that progress will not be interrupted or reversed. This will also entail shifting the composition of spending from consumption towards capital investment.

Government already funds many of the programmes highlighted in the NDP. Road and rail infrastructure, for example, receive significant support over the three-year spending period and there will be major investments in public transport and human settlements. The economic competitiveness and support package will receive R14.9 billion over the spending period to give effect to various growth policies, including the New Growth Path and the Industrial Policy Action Plan. The Minister of Finance stated in his 2013 Budget Speech:

"The NDP reminds us that South Africa needs to invest in a strong network of economic infrastructure designed to support the country's medium- and long-term economic and social objectives".

Expenditure-control systems across government will be revised over the period ahead. There will be tighter rules for intergovernmental transfers, especially for infrastructure projects. Measures will be taken in supply chain management to make it harder for tender processes to be manipulated and to avoid situations where government pays above-market prices for goods and services, including local government.

Given the economic realities and the fact that recovery is likely to be slow, municipalities are once again reminded to adopt a conservative approach when projecting their expected revenues and cash receipts. Municipalities should also pay particular attention to the affordability of tariff increases especially on main services, managing all revenue and expenditure and cash streams effectively, and carefully evaluating all spending decisions.

Considering the accountability cycle of local government, municipalities are urged to carefully consider the objectives of the NDP and National Growth Path. As a sphere of government, municipalities are required to incorporate the objectives of these initiatives after consideration of the Spatial Development Frameworks (SDF) into their Integrated Development Plan (IDP) which should directly inform prioritised budget allocations within the medium-term revenue and expenditure framework (MTREF) of each municipality. Other variables that also need to be considered while compiling the 2013/14 MTREF budgets include the impact of 2011 Census on the IDP and more specifically backlogs and the 'poorest of the poor' (indigent), as well as spatial targeting of infrastructure investment.

Municipalities will have to revise their spending plans and reprioritise funds to ensure key objectives are achieved and well-performing programmes are supported. Expenditure plans need to reflect both the medium-term investment plans and long-term goals identified in the National Development Plan. Over the next three years, government, as a whole, will have to learn to do more with less. The efficiencies that are achieved will protect public finances and enable the country to accelerate development when economic conditions improve. Local government must ensure that efficiency gains, eradication of non-priority spending and the reprioritisation of expenditure relating to core infrastructure inform the next planning framework of all municipalities.

2 Division of Revenue Bill 2013

2.1 Additional allocations to local government 2013

The 2013 Budget Review and the 2013 Division of Revenue Bill indicate that over the 2013 MTEF, R277.7 billion will be transferred directly to local government and a further R21.5 billion has been allocated to indirect grants. Direct transfers to local government in 2013/14 account for 8.9 per cent of national government's non-interest expenditure and when indirect transfers are included this amount rises to 9.5 per cent. An amount of R5.4 billion is added to the local government equitable share to meet the rising costs of providing municipal services and to help rural municipalities, and R9.2 billion is added to direct conditional grants, which include the new municipal water infrastructure, public transport network operations and integrated city development grants. A further R5 billion is added to indirect transfers, through which national departments and public entities provide infrastructure and services on behalf of municipalities.

Local government allocations receive additional funds to address among others:

- Compensate for the rising costs of providing free basic water and electricity to poor households;
- Accelerate provision of access to clean water through bulk and reticulation projects;
- Accelerate provision of access to electricity and improving the sustainability of access through the refurbishment of key infrastructure;
- Expand the collection and use of data on the condition of municipal roads;
- Increasing the number of interns with infrastructure-related skills working in municipalities;
- Host the 2014 African Nations Championship (once off grant); and
- Promote more spatially integrated and efficient cities.

This means the baseline allocations to local government for the 2013/14 are R40.6 billion to the local government equitable share and R34.5 billion for conditional grants, capacity building and other. By 2015/16 these allocations are envisaged to have increased to R50.2 billion and R40.6 billion respectively. Municipalities must ensure that their tabled budgets

reflect the equitable share and conditional grant allocations set out in the 2013 Division of Revenue Bill.

This document is available on National Treasury's website at:

<http://www.treasury.gov.za/documents/national%20budget/2013/default.aspx>

In addition, National Treasury will send out 'allocation letters' informing each municipality of its equitable share, national conditional grants and provincial transfers (as reflected in the relevant provincial budget and gazette).

2.2 Impact of Census 2011

The results of the latest national census were released by Statistics South Africa in October 2012. According to the 2011 Census, the population of some municipalities grew by over 50 per cent between 2001 and 2011, while others experienced a decline in population. Some provinces recorded significantly smaller populations in the 2011 Census than had been previously estimated, including KwaZulu-Natal, Eastern Cape, Limpopo and the Free State. Gauteng has the highest population increase of close to 1 million people. Transfers to municipalities will significantly be affected by this data as the data used in the local government equitable share and municipal infrastructure grant have been updated to reflect these changes.

In future the local government equitable share formula data for the number of households and those falling below the affordability threshold per municipality will be updated each year using average annual household growth in each municipality between the 2001 and 2011 Census. This data will be used to estimate future growth. The estimated total number of households reflected in the formula will be adjusted each year to balance with Statistics South Africa's mid-year population estimate (for the purposes of calculating these estimates, it will be assumed that average household size remains constant in future years). It is assumed that municipalities that experienced negative household growth between 2001 and 2011 will have zero growth in future. The credibility of estimates will be constantly reviewed and this methodology will be updated to reflect any municipal-level population estimates endorsed by Statistics South Africa or any municipal-level survey or census.

Census data used in the local government equitable share formula is available at:

http://www.statssa.gov.za/publications/Census%202011_data_supplied_to_National_Treasury.asp

Statistics South Africa has indicated that the detailed 2011 Census data per municipality will be made available at the end of March 2013. Municipalities must ensure they carefully analyse and evaluate the results; the 2011 Census results will have to be incorporated into the planning framework of all municipalities especially as it relates to backlogs in services, bulk master infrastructure plans and integrated infrastructure expansion.

2.3 Local Government Equitable Share Review

In terms of section 227 of the Constitution, local government is entitled to an equitable share of nationally raised revenue to enable it to provide basic services and perform its allocated functions. The local government equitable share is an unconditional transfer that supplements the income that municipalities can raise from the sources of own revenues available to them (including property rates and service charges). The equitable share provides funding for municipalities to deliver free basic services to poor households and subsidises the cost of administration and other core services for those municipalities that have the least potential to cover these costs from their own revenues.

The share of national revenue allocated to local government through the equitable share is determined in the national budget process and endorsed by Cabinet (the vertical division). Local government's equitable share is divided among the country's 278 municipalities using a formula (the horizontal division); this formula has been amended and updated and will be introduced in 2013/14, following a review conducted by the National Treasury, the Department of Cooperative Governance and the South African Local Government Association, with assistance from the Financial and Fiscal Commission and Statistics South Africa, as well as extensive consultation with municipalities.

The formula applies a revenue-adjustment factor that will direct funding for institutional and community services to municipalities that cannot meet these costs from their own revenues. The new formula and updated population data (2011 Census) will result in significant changes in allocations to local governments. More funding will be allocated to municipalities that have higher poverty rates and consequently less ability to raise their own revenue.

The local government equitable share formula uses demographics and other data to determine each municipality's share of the local government equitable share. It has three parts, made up of five components:

- The first part of the formula consists of the *basic services component*, which provides for the cost of free basic services for poor households.
- The second part enables municipalities with limited own resources to afford basic administrative and governance capacity and perform core municipal functions. It does this through three components:
 - The *institutional component* provides a subsidy for basic municipal administrative costs.
 - The *community services component* provides funds towards the provision of core municipal services not included under basic services.
 - The *revenue adjustment factor* ensures that funds from this part of the formula are only provided to municipalities with limited potential to raise own revenues. Municipalities least able to fund these costs from their own revenues should receive the most funding.
- The third part of the formula provides predictability and stability through a *correction and stabilisation factor*, which ensures that all of the formula's guarantees can be met.

The structure of the formula is summarised in the box below:

Structure of the local government equitable share formula

$$LGES = BS + (I + CS) \times RA \pm C$$

where

LGES is the local government equitable share

BS is the basic services component

I is the institutional component

CS is the community services component

RA is the revenue adjustment factor

C is the correction and stabilisation factor

The new formula for the local government equitable share provides more households with a subsidy for free basic water, electricity, sanitation and refuse-removal services. For the 2013 MTEF, the indicative allocations for 2014/15 and 2015/16 have been calculated assuming electricity bulk price increases of 16 per cent, water bulk increases of 7.2 per cent, inflation of 5.1 per cent in 2014/15 and 4.9 per cent in 2015/16 and household growth in line with the period between 2001 and 2011. These variables will be updated in future budgets to reflect any changes in the growth in prices or estimates of population growth. Such updates will result in changes to the allocations to municipalities, and indicative allocations for future years will change to reflect adjustments in these variables.

The threshold for receiving free basic services rises from R800 per month (in 2001 prices) to R2 300 per month (in 2011 prices). The formula also provides funds for the institutional costs of municipalities and for community services; such as parks, recreation and fire fighting.

Importantly, although the affordability threshold that informs the equitable share formulae is set at R2 300 per month, municipalities are not specifically required to use this threshold in their individual indigent policies. Where municipalities have a different affordability threshold than the R2 300 per month as part of their indigent policy, they would need to clearly justify this position in the narrative to the budget document. As part of the Municipal Budget and Benchmark Engagements, National Treasury and the respective provincial treasuries will assess this component of the municipality's indigent policy.

With the introduction of the new equitable share formula and the updated 2011 Census data used in the formula, some municipalities will experience large changes in their equitable share allocations. To smooth the impact of these changes and give municipalities time to adjust (both for municipalities with increasing and decreasing allocations), the new allocations will be phased in over five years. For municipalities with smaller allocations under the new formula, the phase-in mechanism will measure the difference between the municipality's old and new allocations and will close this gap by 20 per cent each year. This means that in the first year, a municipality will only experience a change equivalent to 20 per cent of the gap between their allocations under the old and the new formulas, in the second year they will experience a 40 per cent change, and so on until in the fifth year their allocation is determined entirely through the new formula.

In compiling their 2013/14 MTREF Budgets municipalities must ensure they accurately budget for the actual gazetted equitable share allocations as per the 2013 DoRA.

A full description of the new formula is provided in Annexure W1 (Explanatory memorandum to the division of revenue). This document as well as a summary version of the formula are available on National Treasury's website at:

<http://www.treasury.gov.za/documents/national%20budget/2013/review/default.aspx>

In addition, more details on how the cost estimates were calculated can be found in the discussion paper on the proposed structure of the new local government equitable share formulae. This document is available on National Treasury's website at:

http://mfma.treasury.gov.za/Media_Releases/LGESDiscussions/Pages/default.aspx

3 Macro-economic performance and projections

3.1 Inflation forecasts

Municipalities must take the following macro-economic forecasts into consideration when preparing their 2013/14 budgets and MTREF –

Fiscal year	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Actual		Estimate	Forecast		
Real GDP growth	3.4	3.1	2.5	3.0	3.6	3.8
CPI inflation	3.8	5.6	5.6	5.6	5.4	5.4

Source: Budget Review 2013

Note that the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

3.2 Employee related costs

Municipalities must take into account the multi-year Salary and Wage Collective Agreement for the period 1 July 2012 to 30 June 2015. The agreement provides for a wage increase based on the average CPI for the period 1 February 2012 until 31 January 2013, plus 1.25 per cent for the 2013/14 financial year.

In this regard municipalities are advised that average CPI for this period is 5.6 per cent. Municipalities are therefore advised to provide for increases related to salaries and wages for the 2013/14 budget year of 6.85 per cent (5.6 per cent plus 1.25 per cent). The agreement also provides for a 1 per cent increase for the 2014/15 financial year. In this regard, municipalities may provide for a 6.4 per cent (5.4 per cent plus 1 per cent) increase for the 2014/15 budget year.

Municipalities are once again reminded to accurately budget for actual positions and vacancies as per the organisational structure of the municipality and notch increments where applicable. Municipalities are also required to accurately complete supporting tables SA22 (Summary councillor and staff benefits), SA23 (Salaries, allowances and benefits of political office bearers/councillors/senior managers) and SA24 (summary of personnel numbers) as part of the Municipal Budget and Reporting Regulations. Municipalities are also required to provide a narrative to the budget document explaining the personnel numbers and budget appropriations.

4 Revising rates, tariffs and other charges

In addition to the issues dealt with in MFMA Budget Circular 66, municipalities are advised to note the following:

4.1 Eskom bulk tariff increases

The Eskom price increase of bulk electricity supplied to municipalities will increase by 8 per cent on 1 July 2013. NERSA approved an annual 8 per cent increase in the bulk price of electricity in terms of the third multi-year price determination application applicable for the period 2013/14 to 2017/18. The full media statement detailing NERSA's decision to approve an 8 per cent increase can be accessed at: www.nersa.org.za.

NERSA is in the process of determining a guideline increase for municipal electricity tariffs. They have indicated that they will only be in a position to finalise this guideline by the end of March 2013. Bulk electricity as a cost driver can contribute as much as 75 per cent of municipalities' electricity function, and considering that the average wage increase (a significant cost component of the municipal electricity function) for the 2013/14 Financial Year is 6.85 per cent (5.6 per cent plus 1.25 per cent) municipalities are advised to limit electricity increases to between 7.5 and 8.0 per cent. National Treasury will consult with NERSA on the methodology applied in determining the municipal tariff increase and communicate with all municipalities once the final guideline is available (envisaged for the end of March 2013).

Municipalities are urged to examine the cost structure of their electricity undertakings and apply to NERSA for electricity tariff increases that are cost reflective to ensure continued financial sustainability.

National Treasury supports the use of the following formula, proposed by NERSA, for calculating municipal electricity tariff increases:

$$MG = (B \times BPI) + (S \times SI) + (R \times RI) + (C \times CCI) + (OC \times OCI)$$

Where:

MG = % Municipal Guideline Increase
B = % Bulk purchases
BPI = % Bulk purchase increase
S = % Salaries
SI = % Salaries increase
R = % Repairs
RI = % Repairs increase
C = % Capital charges
CCI = % Capital charges increase
OC = % Other costs
OCI = % Other costs increase

All cost shares and increases must relate to the electricity function of the municipality

Where a municipality's evaluation of its cost structure results in a lower or higher tariff increase to that proposed by NERSA, the municipality must structure its tariffs accordingly and ensure it provides the necessary motivation and information in its tariff application to NERSA.

4.2 Inclining block tariffs (IBT) for electricity

Municipalities are urged to design an IBT structure that is appropriate to its specific circumstances, and maintains an appropriate balance between 'low income customers' and other domestic, commercial and business customers, and the financial interests of the municipality.

It is also important that any proposed IBT is fully aligned to the principles set out in the *South African Electricity Supply Industry: Electricity Pricing Policy* (EPP), including the principle that electricity tariffs must be cost reflective and that any cross-subsidies should be explicit.

A municipality must ensure that it provides the necessary motivation and information to NERSA in its tariff application. In this regard, municipalities should pay careful attention to determining an appropriate level of cross-subsidisation between the different IBT blocks given the profile of its customer base, and also have regard for the price elasticity of the demand for electricity.

4.3 Process for NERSA approval of municipal electricity tariffs

It is important that municipalities and NERSA work together to ensure that the process of approving electricity tariffs does not disrupt the process of compiling municipal budgets or compromise community consultations on the budget. In terms of section 43 (2) of the MFMA, the Minister of Finance may, on good grounds, approve that tariffs determined by NERSA after 15 March 2013 be implemented by municipalities from 1 July 2013.

Owing to the delay in finalising Eskom's approved tariff increase (announced 28 February 2013) NERSA has indicated that this would affect the timelines in the determination of the municipal guideline tariff. As a result, NERSA does not anticipate meeting the 15 March 2013 deadline and has applied to the Minister for extension, as provided for in Section 43 of the MFMA.

Considering the pending extension application by NERSA, municipalities are advised as follows, as it relates to NERSA's regulatory process over municipal electricity tariff determination:

- Municipalities are to formulate their electricity tariff structures for the 2013/14 budgets and MTREF's based on the indicative 7.5 to 8.0 per cent increase as discussed in paragraph 4.1 above. This must inform the tabled 2013/14 budget and MTREF prior to community consultation. Please note that this is an indicative increase for budget preparation purposes and does not replace the formal NERSA processes. As soon as available, the indicative electricity tariff increase needs to be updated in terms of NERSA's approved tariff increase for 2013/14;
- Submit a tariff application to NERSA containing all the required information as soon the budget is tabled in council prior community consultation; the latest possible date being 31 March 2013. Municipalities are however urged to supply NERSA with their tariff applications earlier than this date to facilitate the entire process; and
- NERSA is to finalise the municipal electricity determination process by the 26 April 2013, including formal feedback to municipalities for incorporation into the final 2013/14 budgets and MTREF.

Municipalities are once again reminded to submit all outstanding D-forms to NERSA. The deadline for submission was 30 October 2012. NERSA will not be in a position to evaluate municipal tariff applications in the absence of complete D-forms.

It has come to the attention of National Treasury that several municipalities impose electricity tariff increases without undergoing the necessary NERSA tariff application process. Municipalities should take note that the NERSA electricity tariff application process is a legislative requirement and municipalities that fail to adhere to the application process are acting outside the ambit of the law.

5 Reporting

Currently all 278 municipalities report through the section 71 in-year reporting framework to both the National Treasury and respective provincial treasuries as informed by the MFMA and Municipal Budget and Reporting Regulations (MBRR). In terms of the local government reform roadmap, the next step will be to improve the quality and reliability of reported financial performance. To this end, with effect of 1 July 2013 various refinements and amendments will be made to the section 71 in-year reporting framework which municipalities need to be aware of and proactively gear themselves for full compliance and implementation.

5.1 Unbundling of debtors figures

The MBRR and section 71 in-year reporting framework provides for the disclosure of outstanding debtors and the age analysis of all outstanding debtors. Budget Table A6 (Statement of Budgeted Financial Position) of the MBRR provides for the disclosure of outstanding debtors at an aggregated level and is supported by Table SA3 (Supporting Detail to Budgeted Financial Position). In terms of the section 71 in-year reporting framework the return form AD: Age Analysis of Debtors is currently utilised in collecting detail relating to outstanding debtors.

Municipalities will be required to further unbundle debtors; in-year reporting refinements will include the unbundling of government debtors into national and provincial departments and the disclosure of the interest component of outstanding debtors separately. This information is critical in unpacking and understanding debt owed to municipalities and the impact of such debt on financial sustainability. This is also required to limit the use of 'other debtors' in the reporting returns; 'other debtors' as a percentage of outstanding debtors is unacceptably high and municipalities are urged to limit the use of 'other debtors'.

Further guidance will be supplied to all municipalities in due course as to the reporting refinements and additional requirements. Municipalities are therefore advised to diligently and attentively budget for all outstanding debtors on Table A6 (Statement of Budgeted Financial Position) of the MBRR and supporting Table SA3 (Supporting Detail to Budgeted Financial Position) as part of the 2013/14 MTREF budget compilation process.

Municipalities are further reminded that the in-year reporting for the balance sheet (which includes outstanding debtors and creditors) must reflect the financial position of the municipality at that point in time (snapshot). Reporting in terms of the Statement of Financial Position (Balance Sheet) must not be informed by monthly movements.

5.2 Investments

The MBRR also provides for the disclosure of all investment information. In terms of the budget, Table A6 (Statement of Budgeted Financial Position) of the MBRR provides for the disclosure of all investments at an aggregated level and is supported by Table SA15 (Investment Particulars by Type) and Table SA16 (Investment particulars by maturity); reporting on investments is undertaken through return form BSAC: Statement of Financial Position Actual.

Municipalities will be required to further unbundle investments aligned to the reporting requirements contained in the supporting tables to the MBRR (Table SA15 and Table SA16). Further guidance will be supplied to all municipalities in due course as to the reporting refinements and additional requirements. Municipalities are therefore advised to diligently and attentively budget for all investments on Table A6 (Statement of Budgeted Financial Position) of the MBRR and supporting Tables SA15 and SA16 (Investment particulars by type and maturity).

5.3 Variances between 4th quarter section 71 results and annual financial statements

In terms of the verification process for the fourth quarter of the 2011/12 financial year, differences have been observed by National Treasury between the section 71 in-year reported figures and the figures contained in the 2011/12 annual financial statements for both the debtors and creditors age analyses (electronic return forms AD and AC). Ideally these two sources of municipal performance and financial position information should reconcile, which is currently not the case.

Municipalities are reminded that the section 71 in-year reporting framework provides the basis for National Treasury's monitoring and oversight. The Local Government Database is utilised in the compilation of various publications such as the Quarterly Section 71 Publication, State of Local Government Finances Report, and the biennial Local Government Budget and Expenditure Review as well as acting as an early warning system for local government. In addition, the aggregated outcomes are utilised in the formulation of policy responses to local government such as funding and grant structures. It's therefore extremely important that the reported figures are a true reflection of the municipality's performance and financial position, regardless of source.

Although National Treasury understands that the time lapse between the fourth quarter and finalization of the annual financial statements could result in the restating of figures, we would expect these variances to be restricted to a minimum. Significant variances indicate that the municipality merely completes and report through Section 71 as a compliance requirement and limited care is applied in ensuring the accuracy of year-end results. Variances of up to 100 per cent have been observed between the 4th quarter reported balances for outstanding creditors and debtors and that of the AFS.

As part of the current verification process National Treasury has determined a variance threshold of 10 per cent between figures reported in the 4th quarter of the 2011/12 financial year for outstanding creditors and debtors when compared to the AFS. Where variances are in excess of the 10 per cent threshold, those municipalities will receive correspondence in due course affording them an opportunity to clarify and rectify these differences and also to indicate proposed remedial actions to be instituted to avoid similar occurrences in future.

5.4 Appropriation statement (Reconciliation: Budget and in-year performance)

In terms of the Standards of GRAP 24 on Presentation of Budget Information in Financial Statements municipalities are required to present their original and adjusted budgets against actual outcome in the annual financial statements; this is considered an appropriation statement and the comparison between the budget and actual performance should be a mirror image of each other as it relates to the classification and grouping of revenue and expenditure as has been the case in a national and provincial context. This statement is subject to auditing and accordingly supporting documentation would be required to substantiate the compilation of this statement.

Municipalities will be required to populate a comprehensive appropriation statement (reconciliation between budget, adjustments budget and yearend position) with the compilation of the 2012/13 annual financial statements.

As part of the SCOA classification process perfect alignment between the Municipal Budget and Reporting Regulations and specimen annual financial statements will facilitate the compilation of an appropriation statement and ensure compliance to the Standards of GRAP 24.

During the compilation of the 2013/14 MTREF budgets, municipalities need to carefully consider how revenue and expenditure appropriations are classified with the objective of facilitating the compilation of a comprehensive yearend appropriation statement for the 2013/14 AFS. The format of the appropriation statement is attached as Annexure B. The complete Excel document can be accessed on the National Treasury website at:

<http://mfma.treasury.gov.za/Circulars/Pages/default.aspx>

5.5 Additional in-year reporting requirements

In future municipalities will be required to provide additional information and supporting documentation to the National Treasury as part of the submission of the Section 71 input forms. This information will assist in improving the quality of the quarterly published local government performance information. Additional information and supporting documentation includes:

- An extract of the trial balances from the general ledger;
- Copies of the actual monthly bank statements (reflecting the opening and closing bank balances) for the primary bank account;
- Bank reconciliation for the reporting period in the primary bank account; and
- Copies of the quarterly tabled section 71 documents in the prescribed Schedule C format including the applicable council resolution.

5.6 Municipal water infrastructure grant and non-revenue water

The 2013 DoRA introduces a new grant namely; the Municipal Water Infrastructure Grant to be administered by the Department of Water Affairs. The grant is aimed at accelerating the delivery of clean water to communities that do not have access to basic water services. The grant provides funding for municipalities to plan and implement various projects; including the construction of new infrastructure and the refurbishment and extension of existing water schemes. The grant has an allocation of R4.3 billion over the 2013 MTEF. Access to clean water must be considered a strategic priority for local government, especially when considering objectives of the new Municipal Water Infrastructure Grant.

According to the latest National Non-Revenue Water Assessment Report (*The state of non-revenue water in South Africa, Report TT522-12*: www.wrc.org.za); recently released by the Water Research Commission and the Department of Water Affairs, more than 50 per cent of municipalities cannot provide a water balance. These municipalities cannot determine whether demand for water exceeds supply or quantify the extent to which non-revenue water influences water security and financial sustainability.

Considering this strategic imperative, managing non-revenue water becomes a critical aspect of accelerating the delivery of clean water to communities. Municipalities are required to ensure appropriate measurement and reporting of all water losses as per the national targets, and to ensure a common understanding and alignment between technical and financial departments on water loss issues. Inconsistencies have been observed in the methodology applied by municipalities in reporting water losses.

Municipalities are reminded that they are required to report on both apparent (commercial) and real (physical) losses as per the Modified International Water Association (IWA) Water Balance for South Africa. Municipalities are referred to the 2011 Local Government Budget and Expenditure Review (pages 131 to 140) for further information. The document can be accessed at:

<http://www.treasury.gov.za/publications/lqfr/2011/lq/default.aspx>

In addition municipalities can email Paul Herbst (HerbstP@dwa.gov.za) at the Department of Water Affairs should further assistance be required in applying the measures.

The water balance and non-revenue water statistics needs to be updated on at least a quarterly basis and reported to the SALGA's benchmarking system at <http://www.munibench.co.za/>. This data will subsequently be shared with other stakeholders including municipalities for the purpose of benchmarking municipal progress and performance. It is also the intention of National Treasury to include this information in the quarterly section 71 publications and all municipalities are urged to ensure they accurately report this information going forward.

5.7 Integrated City Development Grant

The Integrated City Development Grant is a new grant introduced in the 2013 DoRA that can potentially be accessed by metropolitan municipalities. The grant will support metropolitan municipalities to identify and establish integration zones within cities, including the establishment of measureable performance objectives, indicators and targets. Metropolitan municipalities will also be assisted to plan and programme a series of catalytic investments within these integration zones. The establishment of the zones will firstly, allow all public interventions to be focussed in an identified spatial context in order to leverage a private investment response. Secondly, it will enable all spheres of government to measure and manage the change of the spatial form and pace in our cities.

Metropolitan municipalities are currently participating in the development of indicators that will be used to measure and reward performance in subsequent years of the grant. The indicators will eventually need to be mainstreamed into city planning (such as the IDP and SDBIP) and budgeting.

Guidelines for the implementation of the Integrated City Development Grant will be made available in due course to all the metropolitan municipalities.

6 Funding choices and management issues

6.1 Benefits to councillors and mayors

In terms of section 167(2) of the MFMA, any remuneration paid in cash or kind to a person as a political office-bearer or as a member of a political structure of a municipality, other than is provided for in the framework of the Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998), is regarded as irregular expenditure. This remuneration includes any bursary, loan, advance or other benefit.

The Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils (Government Gazette No. 35962) creates allowance for 'tools of trade'. As defined in the Gazette, tools of trade are the resources or enabling facilities provided by a municipal council to a councillor to enable effective and efficient fulfilment of his/her duties in the most cost effective manner, and at all times remain the assets of the municipality. Section 14 of the Gazette details the tools of trade that may be extended to councillors. Government Gazette No. 35962 can be accessed at:

<http://www.info.gov.za/view/DownloadFileAction?id=180122>

Municipalities are reminded to adhere strictly to the gazetted limits and provisions.

In the event that expenditure outside the set limits has already been incurred, the municipality must recover that remuneration from the political office-bearer or member and may not write-off any expenditure incurred in paying or giving that remuneration. This expenditure will be

classified as irregular expenditure and the Auditor General will be instructed to audit accordingly.

6.2 Cellular telephone (mobile) and data contract policy

It has to come to the attention of National Treasury that there are efficiency leakages in the way that municipalities manage costs associated with cellular telephones and mobile data (3G). National Treasury has come across instances where municipalities are spending tens of thousands on individual contracts per month. This situation must be urgently addressed by all municipalities in ensuring cost efficiency and value for money for the tax payer.

Where such a policy is not already in place, municipalities are required to compile and approve a cellular telephone (mobile) and data (3G) policy with effect of 1 July 2013. The policy must set upper monthly limits for costs associated with these expenses and the 2013/14 MTREF budget must be compiled in line with these limits.

National Treasury will request the Auditor General to audit against the policy for the 2013/14 financial year and where it is found that expenditure was incurred outside the limits contained in the policy framework, such expenditure will be classified as fruitless and wasteful expenditure as part of the 2013/14 audit finding.

7 Conditional transfers to municipalities

Section 214 of the Constitution provides for national government to transfer resources to municipalities in terms of the annual Division of Revenue Act (DoRA) to assist them in exercising their powers and performing their functions. These allocations are announced annually in the national budget. Transfers to municipalities from national government are supplemented with transfers from provincial government. Further, transfers are also made between district municipalities and local municipalities.

The DoRA provides for funds to be allocated in different 'schedules'. Each of the schedules provide for grants of a particular type as follows:

Schedule 1		Equitable division of revenue raised nationally among the three spheres of government
Schedule 2		Determination of each province's equitable share of the provincial sphere's share of revenue raised nationally (as a direct charge against the National Revenue Fund)
Schedule 3		Determination of each municipality's equitable share of the local government sphere's share of revenue raised nationally
Schedule 4	Part A	Allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets
	Part B	Allocations to municipalities to supplement the funding of programmes or functions funded from municipal budgets
Schedule 5	Part A	Specific purpose allocations to provinces
	Part B	Specific purpose allocations to municipalities
Schedule 6	Part A	Allocations-in-kind to provinces for designated special programmes
	Part B	Allocations-in-kind to municipalities for designated special programmes

Schedule 7	Part A	Provision to specifically cater for immediate release of funds to provinces for disaster response
	Part B	Provision to specifically cater for immediate release of funds to municipalities for disaster response

It is important that the transfers applicable to municipalities are made transparently, and properly captured in municipalities' budgets. In this regard, regulation 10 of the *Municipal Budget and Reporting Regulations* provides guidance on when municipalities should reflect a transfer or donation in their budgets. Note that promises of funds that do not meet the requirements set out in regulation 10 must not be included in the municipality's budget.

Municipalities are advised not to accept transfers from national or provincial departments that are not gazetted in terms of the 2013 Division of Revenue Act (once enacted) or the relevant provincial budget, or that are not related to a properly approved agency agreement. Such ad hoc transfers are very often unauthorised expenditure at the national and provincial level, and are invariably related to fiscal dumping.

Also note that grants-in-kind (e.g. capital assets transferred by a district to a local municipality) need to be budgeted for as a 'transfer or grant' on Table A4 by the district municipality (and not on their Table A5 Capital Budget – since the expenditure does not get capitalised), and as a 'contributed asset' on Table A4 by the local municipality, and from there directly on Table A6 Budget Financial Position.

In support of regulation 10 of the *Municipal Budget and Reporting Regulations*, the 2013 Division of Revenue Bill provides that –

1. In terms of section 15, National Treasury is required to publish in the *Government Gazette* the allocations and indicative allocations for all national grants to municipalities;
2. In terms of section 29, each provincial treasury is required to publish in the *Government Gazette* the allocations and indicative allocations per municipality for every allocation to be made by the province to municipalities from the province's own funds; and
3. In terms of section 28, each category C municipality must indicate in its budget all allocations from its equitable share and conditional allocations to be transferred to each category B municipality within the category C municipality's area of jurisdiction.

The Government Gazette reflecting the allocations and indicative allocations for all national grants to municipalities will be available within 14 days of the 2013 Division of Revenue Act being signed into law at the following address:

<http://www.treasury.gov.za/legislation/bills/2013/Default.aspx>

In addition, National Treasury publishes a payment schedule that sets out exactly when the equitable share and national conditional grant funds are to be transferred to municipalities. This will be available at:

http://www.treasury.gov.za/legislation/mfma/media_releases/Municipal%20Payment%20Schedule/

7.1 Timing of municipal conditional grant transfers

In order to facilitate synchronisation of the national / provincial financial year (1 April to 31 March) with the municipal financial year (1 July to 30 June), the 2013 Division of Revenue Bill requires that all equitable share and Schedule 4 and 5 conditional allocations to municipalities must be transferred to municipalities within the period 1 July 2013 to 31 March 2014.

Municipalities must not accept any equitable share, Schedule 4 and Schedule 5 transfers from national or provincial departments outside of these timeframes.

National and provincial departments are also advised to only transfer other grant funds and to only make agency payments to municipalities within the period 1 July 2013 to 31 March 2014. This is to ensure the municipality is able to include such funds on its budget for 2013/14 and to ensure that reporting on the use of the funds is properly aligned across the national, provincial and municipal financial years.

7.2 Payment schedule for transfers

National Treasury has instituted an automated payment system for transfers to municipalities in order to ensure appropriate safety checks are put in place.

Section 22 of the 2013 Division of Revenue Bill requires transfers to municipalities to be made as per the approved payment schedule published by National Treasury. Through this system, any transfers not in line with the payment schedule will be rejected. In addition, if the payment details of the municipality are not up-to-date the transfers will also be rejected.

7.3 Provincial payment schedules

The payment schedules that provincial treasuries are required to submit to National Treasury in terms of section 29(5) of the 2013 Division of Revenue Bill will be published on National Treasury's website, along with the national payment schedule.

7.4 Responsibilities of transferring and receiving authorities

The legal obligations placed on transferring and receiving officers in terms of the 2013 Division of Revenue Bill are very similar to previous requirements. National Treasury intends ensuring strict compliance in order to improve spending levels, and the quality of information relating to the management of conditional grants.

Municipalities are again reminded that compliance with the annual Division of Revenue Act is the responsibility of the municipal manager as the "receiving officer". The municipal manager is responsible for, among other things, the tabling of monthly reports in council on whether or not the municipality is complying with the Division of Revenue Act. He/she is also responsible for reporting on any delays in the transfer or the withholding of funds. Failure on the part of a municipal manager to comply with the Act will have financial implications for the municipality as it will lead to the municipality losing revenue when funds are stopped and/or reallocated.

Where the municipality is unable to comply, or requires an extension, the municipal manager must apply to the National Treasury and provide comprehensive motivation for the non-compliance.

7.5 Unspent conditional grant funds for 2012/13

To bring legal certainty to the process of managing unspent conditional grant funds, section 21 of the 2013 Division of Revenue Bill contains all provisions relating to the treatment of unspent conditional grant funding.

The process to ensure the return of unspent conditional grants for the 2012/13 financial year will be managed in accordance with section 21 of the Division of Revenue Bill. In addition to the previous MFMA circulars, the following practical arrangements will apply –

- Step 1: Municipalities must submit their June 2013 conditional grant expenditure reports according to section 71 of MFMA reflecting all accrued expenditure on conditional grants.

- Step 2: When preparing their annual financial statements a municipality must determine what portion of each national conditional allocation it received remained unspent as at 30 June 2013. These amounts **MUST** exclude all interest earned on conditional grants and all VAT related to conditional grant spending that has been *reclaimed from SARS*, which must be disclosed separately.
- Step 3: If the receiving officer wants to motivate in terms of section 21(5)(b) of the Division of Revenue Bill 2013 that the funds have been spent or are committed to identifiable projects or wants to propose an alternative payment method or schedule the required information must be submitted to National Treasury by 30 August 2013. **National Treasury will not consider any rollover requests that are incomplete (see item 7.6 below) or that are received after this deadline.**
- Step 4: National Treasury will confirm in writing whether or not the municipality may retain as a rollover any of the unspent funds because they are committed to identifiable projects or whether it has agreed to any alternative payment methods or schedules by 1 October 2013.
- Step 5: A municipality must return the remaining unspent conditional grant funds that are not subject of a specific repayment agreement with National Treasury to the National Revenue Fund by 21 October 2013. Failure to return these unspent funds by this date will constitute financial misconduct in terms of section 34 of the Division of Revenue Act.
- Step 6: Any unspent conditional grant funds that should have been repaid to the National Revenue Fund by 21 October 2013 will be offset against the municipality's November equitable share allocation.

All the calculations of the amounts to be surrendered to the National Revenue Fund will be audited by the Auditor-General.

7.6 Criteria for the rollover of conditional grant funds

Municipalities may not rollover unspent conditional grant spending in terms of section 28(2)(e) of the MFMA (read together with regulation 23(5) of the Municipal Budget and Reporting Regulations) because they are national/provincial funds. The applicable rollover process is then given effect through the national/provincial adjustments budget in October/November each year. In this regard refer to MFMA Budget Circular No. 51 for more information.

Section 21 of the 2013 Division of Revenue Bill requires that any conditional grants which are not spent at the end of the municipal financial year must revert to the National Revenue Fund, unless the receiving officer proves to the satisfaction of National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When applying to retain unspent conditional allocations committed to identifiable projects or requesting a rollover in terms of section 21(2) of the Division of Revenue Act, municipalities must supply National Treasury with the following information –

1. A formal letter addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 21(2) of the 2013 of DoRA;
2. List of all the projects that are linked to the unspent conditional grants;
3. Evidence that work on each of the projects has commenced, namely either of the following:
 - a. Proof that the project tender was published and the period for tender submissions closed before 30 June; or
 - b. Proof that a contract for delivery of the project was signed before 30 June.
4. A progress report on the state of implementation of each of the projects;

5. The amount of funds committed to each project, and the conditional allocation from which the funds come;
6. An indication of the time-period within which the funds are to be spent; and
7. Proof that the Chief Financial Officer is permanently appointed. ***No rollover requests will be considered for municipalities with vacant or acting chief financial officers.***

If any of the above information is not provided or the application is received by National Treasury after 30 August 2013, the application will be declined.

In addition, National Treasury will also take into account the following information when assessing rollover applications, and reserves the right to decline an application if there is non-performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in sections 71 and 72 of the MFMA and section 12 of the 2013 DoRA, including the municipal manager and chief financial officer signing-off on the information sent to National Treasury;
2. Submission of the pre-audit Annual Financial Statements information to National Treasury by 31 August 2013;
3. Accurate disclosure of grant performance in the 2012/13 pre-audit Annual Financial Statements; and
4. Cash available in the bank as at 30 June 2013 to finance the roll-over request.

When approving any rollover requests, National Treasury will use the latest conditional grant expenditure information available at the time, which in this instance is likely to be the disclosure of grant performance in the 2012/13 pre-audit Annual Financial Statements which need to be concluded by 31 August 2013.

7.7 Reporting and accounting for municipal approved conditional grant roll-overs

A municipality must report separately on the spending of conditional grant funds that are rolled over. National Treasury has provided a separate reporting template to facilitate this. This template must be submitted together with the normal template for reporting conditional grant spending for the current year. The template is available at the following link:

http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx

8 The Municipal Budget and Reporting Regulations

National Treasury has released Version 2.5 of Schedule A1 (the Excel Formats). This version incorporates minor changes (see Annexure A). Therefore ALL municipalities MUST use this version for the preparation of their 2013/14 Budget and MTREF to be tabled by the latest 29 March 2013.

Download Version 2.5 of Schedule A1 by clicking [HERE](#)

The Municipal Budget and Reporting Regulations are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver services by facilitating improved financial sustainability and better medium term planning. The regulations, formats and associated guides etc. are available on National Treasury's website at: <http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx>

8.1 Assistance with the compilation of budgets

If you require advice with the compilation of your budgets, the budget documents or Schedule A1 please direct your enquiries as follows:

Municipalities in...	Responsible NT officials	Tel. No.	Email
Eastern Cape	Templeton Phogole Ansie Myburgh	(012) 395 5054 (012) 315 5173	Templeton.Phogole@treasury.gov.za Ansie.Myburgh@treasury.gov.za
Free State	Vincent Malepa Kgomoetso Mokienie	(012) 315 5539 (012) 315 5866	Vincent.Malepa@treasury.gov.za Kgomoetso.Mokienie@treasury.gov.za
Gauteng	Nozipho Molikoe Thabang Manaka	(012) 395 5662 (012) 395 6567	Nozipho.Molikoe@treasury.gov.za Thabang.Manaka@treasury.gov.za
KwaZulu-Natal	Johan Botha Cassandra Mculu	(012) 315 5171 (012) 315 5276	Johan.Botha@treasury.gov.za Cassandra.Mculu@treasury.gov.za
Limpopo	Bernard Mokgabodi Sifiso Mabaso	(012) 315 5936 (012) 315 5952	Bernard.Mokgabodi@treasury.gov.za Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Jordan Maja Anthony Moseki	(012) 315 5663 (012) 315 5174	Jordan.Maja@treasury.gov.za Anthony.Moseki@treasury.gov.za
Northern Cape	Marli van der Woude Mandla Gilimani	(012) 315 5303 (012) 315-5807	Marli.vanderWoude@treasury.gov.za Mandla.Gilimani@treasury.gov.za
North West	Willem Voigt Sadesh Ramjathan	(012) 315 5830 (012) 315 5101	Willem.Voigt@treasury.gov.za Sadesh.Ramjathan@treasury.gov.za
Western Cape	Vuyo Mbunge Kevin Bell Sonwabise Lupiwana	(012) 315 5661 (012) 315 5725 (012) 395 6554	Vuyo.Mbunge@treasury.gov.za Kevin.Bell@treasury.gov.za Sonwabise.Lupiwana@treasury.gov.za
Technical issues with Excel formats	Ilze Baron	(012) 395 6742	Ilze.Baron@treasury.gov.za

8.2 Budget compliance and benchmarking processes

National Treasury and the provincial treasuries will again assess all the municipalities' tabled budgets against the Compliance Checklist. Where there is substantial non-compliance municipalities will be required to re-table their budgets in council, otherwise municipalities will be expected to make the necessary improvements prior to tabling the budget for approval by 1 June 2013.

In addition, the National Treasury and provincial treasuries will be conducting benchmark budget hearings on the municipalities' tabled budgets during April and early May 2013 to assess whether the budgets are realistic, sustainable and relevant, and the extent to which they are funded in accordance with the requirements of the MFMA. In this regard, National Treasury will communicate further with the non-delegated municipalities, while the provincial treasuries will communicate with their respective delegated municipalities.

Municipalities are reminded that the Municipal Budget and Reporting Regulations provide not only for the technical framework for municipal budgets but also for minimum requirements in terms of the structure of the budget document, including narratives in support of the budget tables. It has come to the attention of the National Treasury that certain municipalities table their annual budgets (MTREF's) in formats other than that of the prescriptions contained in the MBRR. Tabling and adopting a municipal budget (MTREF) in a format other than that of the MBRR constitutes gross financial negligence on the part of the municipality and is outside the legislative framework.

For all practical purposes, a municipal budget that is tabled and adopted by a municipal council in any other format than the prescriptions of the MBRR does not legally constitute a municipal budget.

As part of the budget compliance and benchmarking processes to be undertaken by both the National Treasury and respective provincial treasuries compliance verification will include:

- Level of compliance to the Municipal Budget and Reporting Regulations;
- Verification of the format in which the 2013/14 MTREF budget was tabled in the municipal council. This will include proof of a council resolution in support of the tabled 2013/14 MTREF budget (Schedule A of the MBRR); and
- Budget document that includes narratives to the prescribed table of content and budget tables covering at least Tables A1 to A10.

8.3 Certification that budget is correctly captured

Once the municipal council has adopted the municipal budget in the format of Schedule A the relevant portions of the budgets reflected in Tables A1 to A10 need to be captured on the municipality's financial system so that the municipality can manage its revenue and expenditure against the adopted budget. It has come to National Treasury's attention that many municipalities do not capture their adopted budgets on their financial system, and even those that do, do not 'lock' the adopted budget – meaning that the budget reflected on the system can be changed at any time without following due process.

To eliminate this bad practice, National Treasury hereby requests the accounting officer of each municipality in terms of the section 74 of the MFMA to provide a signed certificate by no later than 15 July 2013 certifying that:

1. The adopted annual budget has been captured on the municipality's financial system, and that there is complete agreement between the budget on the system and the budget adopted by council;
2. That the adopted annual budget on the municipality's financial system is locked; and
3. That the municipality has in place controls to ensure that the budget captured on the financial system can only be changed in accordance with:
 - a. a virement authorised by the municipal manager, or duly delegate official, in terms of a council approved virements policy; and
 - b. an Adjustments Budget approved by council.

A template of the certificate is available on National Treasury's website at:

http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx

9 Budget process and submissions for the 2013/14 MTREF

Over the past number of years there have been significant improvements in municipal budget processes. Municipalities are encouraged to continue their efforts to improve their budget processes based on all previous guidance provided and the Municipal Budget and Reporting Regulations. Municipalities are reminded that the IDP review process and the budget process should be combined into a single process.

9.1 Submitting budget documentation and schedules for 2013/14

To facilitate oversight of compliance with Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that **immediately** after an annual budget is tabled in a municipal council it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. So if the annual budget is tabled to council 29 March 2013, the final date of submission of the electronic budget documents is **Tuesday, 2 April 2013**. Hard copies must be received by no later than **Wednesday, 10 April 2013** including a council resolution in support of the tabled budget; and
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted **within ten working days** after the council has approved the annual budget. So if the council only approves the annual budget on 30 June 2013, the final date for such a submission is **Friday, 12 July 2013**, otherwise an earlier date applies.

The municipal manager must submit:

- the budget documentation as set out in Schedule A of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and all the supporting tables (SA1 – SA37) and prescribed minimum narrative information in both printed and electronic format;
- the draft service delivery and budget implementation plan in both printed and electronic format; and
- in the case of approved budgets, the council resolution.

Municipalities are required to send electronic versions to lgdocuments@treasury.gov.za.

In the event that the file size exceeds 4 MB then please send it to lgbigfiles@gmail.com and notify the Local Government Database team via an e-mail (excluding the attachment) that the budget was submitted to the big files account.

Municipalities are required to send printed submissions of their budget documents and council resolution to:

For couriered documents

Ms Linda Kruger
National Treasury
40 Church Square
Pretoria, 0002

For posted documents

Ms Linda Kruger
National Treasury
Private Bag X115
Pretoria, 0001

After receiving tabled budgets, National Treasury and provincial treasuries will complete a compliance checklist. This checklist will indicate the level of compliance to the Municipal Budget and Reporting Regulations. A copy of the checklist will be sent to the municipality in order to facilitate improvements in the quality of tabled and approved budgets. Please review the municipality's performance last year, and ensure that the gaps are addressed.

9.2 Budget reform returns to the Local Government Database for publication

For publication purposes, municipalities are still required to use the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database. *The old formats may not be used to submit 2013/14 budget information.* All municipalities must migrate to using the aligned version of the electronic returns. All returns are to be sent to lgdatabase@treasury.gov.za.

Returns for the 2013/14 budget must be submitted to the Local Government Database by **19 July 2013**.

The new aligned electronic returns may be downloaded from National Treasury's website at the following link: http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx.

9.3 Publication of budgets on municipal websites

In terms of section 75 of the MFMA all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, <http://mfma.treasury.gov.za/Pages/Default.aspx>. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

9.4 Publication of municipal budgets on National Treasuries website

National Treasury publishes all the approved municipal budgets on its website. However, before publishing National Treasury verifies the correctness of the information submitted by municipalities by comparing the following three sources of information:

1. The Approved Budget, which is the municipality's budget in the format of Schedule A as approved by council (hard copy).
2. Schedule A1, which is the electronic version of the budget Tables A1 to A10, and supporting tables.
3. The Database budgets, which is the municipal budget generated from the information the municipality submits in the Budget Reform Returns.

The information in the Schedule A1 and the Database budget returns **MUST** reconcile with the Approved Budget as this is the budget that council has adopted and is therefore the legal basis for all revenue collection and expenditure activities within the municipality.

While only 112 municipalities managed to achieve this reconciliation in the 2011/12 financial year, 149 municipal budgets were aligned in the 2012/13 financial year. Efforts will continue to ensure all municipalities meet requirements and further improve the quality of budget information.

This process of ensuring these three sources of budget information reconcile is referred to as the Budget Verification Process. Municipalities must ensure that all these three sources of information are aligned upon finalising their budgets, and when submitting their budget information to the National Treasury and provincial treasuries. The National Treasury and provincial treasuries will again check for this alignment before publishing the municipal budgets in October 2013.

Contact



national treasury

Department
National Treasury
REPUBLIC OF SOUTH AFRICA

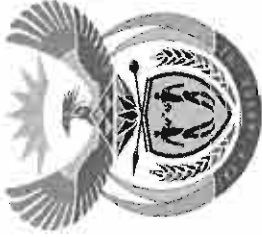
Post	Private Bag X115, Pretoria 0001
Phone	012 315 5009
Fax	012 395 6553
Website	http://mfma.treasury.gov.za/Pages/Default.aspx

JH Hattingh
Chief Director: Local Government Budget Analysis
12 March 2013

Annexure A – Changes to Schedule A1

As noted above, National Treasury has released Version 2.5 of Schedule A1 (the Excel Formats). It incorporates the following changes:

No.	Sheet	Amendment	Reason
1	SA8	Insertion of quantum of water and electricity losses.	Simplification of data gathering for mid-year assessment purposes.
2	SA22, SA23, SA24	Insertion of new footnote.	To clearly state that the personnel figures captured in the budget are only valid at the adoption date of the budget.
3	SA24	Insertion of new footnote.	To clarify that headcount figures must include budgeted vacancies and current staff in order to improve alignment of figures with the municipal organogram.
4	SA13	SA 13 has been split into two separate sheets – SA13a – Service Tariffs by Category SA13b – Service Tariffs by Category (explanatory).	To facilitate the collection of consistent information on municipal tariff structures.



NATIONAL TREASURY
MFMA Circular No. 67
Municipal Finance Management Act No. 56 of 2003

Annexure B – Appropriation Statement (Reconciliation: Budget and in-year performance)

Reconciliation of Table A1 Budget Summary

Description	2012/2013							2011/2012							
	Original Budget	Budget Adjustments (1 to 528 and 531 of the MFMA)	Final adjustments budget	Shifting of funds (1 to 531 of the MFMA)	Virement (1 to Council approved by law)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Revised Audited Outcome
R thousands	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Financial Performance															
Property rates															
Service charges															
Investment revenue															
Transfers recognised - operational															
Other own revenue															
Total Revenue (excluding capital transfers and contributions)															
Employee costs															
Remuneration of councillors															
Director's salary															
Depreciation															
Depreciation - 1 asset impairment															
Finance charges															
Materials and bulk purchases															
Transfers and grants															
Other expenditure															
Total Expenditure															
Surplus/(Deficit)															
Transfers recognised - capital															
Contributions (recognised - capital & contributed assets)															
Surplus/(Deficit) (After capital transfers & contributions)															
Share of surplus/(deficit) of associate															
Surplus/(Deficit) for the year															
Capital expenditure & funds sources															
Capital expenditure															
Transfers recognised - capital															
Public contributions & donations															
Borrowing															
Internally generated funds															
Total sources of capital funds															
Cash flows															
Net cash from/(used) operating															
Net cash from/(used) investing															
Net cash from/(used) financing															
Cash/cash equivalents at the year end															